

3 RECONSTRUCTION UPDATE



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President Donald J. Trump and President Ashraf Ghani address U.S. troops at Bagram Airfield, Afghanistan. (White House photo)



RECONSTRUCTION IN BRIEF

Section 3 of this quarterly report summarizes the key events of the reporting period as well as programs and projects concerning Afghanistan reconstruction across four sectors: Funding, Security, Governance, and Economic and Social Development.

U.S. RECONSTRUCTION FUNDING

- Cumulative appropriations for reconstruction and related activities in Afghanistan since FY 2002 totaled approximately \$137.0 billion.
- \$118.5 billion, or 87%, was appropriated to the nine largest active reconstruction funds, of which some \$10.0 billion remained to be disbursed.
- DOD reported in its latest *Cost of War Report*, dated September 30, 2019, that cumulative obligations for Afghanistan including warfighting had reached \$776.0 billion. The cost of Afghanistan reconstruction equaled 16% of this amount at that date.

U.S.-TALIBAN PEACE TALKS RESUME

- President Donald J. Trump publicly announced the restart of U.S.-Taliban talks this quarter declaring “The Taliban wants to make a deal.”
- A White House statement said President Trump’s goal is for the Taliban to demonstrate “a significant and lasting reduction in violence that would facilitate meaningful negotiations on Afghanistan’s future.”

PRELIMINARY PRESIDENTIAL RESULTS RELEASED

- On December 22, Afghanistan’s Independent Election Commission (IEC) released the long-delayed preliminary results from the September 28, 2019, election.
- According to the preliminary figures, President Ghani received 923,868 votes (50.64%), Chief Executive Abdullah received 720,990 votes (39.52%), and Gulbuddin Hekmatyar received 70,242 votes (3.85%).
- The head of the IEC said the outcome could change, as the results are subject to a review by the Electoral Complaints Commission (ECC). If President Ghani’s votes fall below 50% plus one vote and no other candidate receives a majority, there will be a run-off.

NATIONWIDE SURVEY FINDS MOST AFGHANS BELIEVE RECONCILIATION IS POSSIBLE

- In December, the Asia Foundation released its annual *Survey of the Afghan People*, which found that 36% of their randomly selected respondents believe Afghanistan

is going in the right direction, up from 33% the previous two years, but still below 2013’s high of 58%.

- According to the survey, 64% of respondents believed that reconciliation between the Afghan government and the Taliban is possible, a significant increase over the 53.5% who believed this in 2017.

FIGHTING BETWEEN THE ANDSF AND THE TALIBAN INCREASED

- Overall and casualty-producing enemy-initiated attacks this quarter (October–December 2019) were at the highest level for the fourth quarter of any year since recording began in 2010.
- DOD reports that Afghan National Defense and Security Forces casualties from May–October 2019 slightly increased compared to the same period in 2018.
- Civilian casualties this quarter decreased by 20% compared to the same period in 2018.

AFGHANISTAN WILL CONTINUE TO REQUIRE DONOR SUPPORT FOR GOVERNMENT OPERATIONS

- Afghanistan will require at least \$4.6 billion, and as much as \$8.2 billion, of donor funding, per year, through 2024, the World Bank said this quarter.
- After several years of strong gains, the growth rate of the Afghan government’s domestic revenues has stalled.

AFGHAN BOYS SEXUALLY ABUSED

- At least 165, and possibly more than 546, boys from six schools in Logar Province have been sexually abused, an Afghan civil society organization alleged.

FALLEN AFGHAN COUNTERNARCOTICS OFFICERS HONORED

- The Drug Enforcement Agency’s Purple Heart Award was awarded in December to eight DEA-trained Afghan counternarcotics officers killed and five wounded in terrorist attacks this year.
- The Afghan government completed the dissolution of the Ministry of Counter Narcotics (MCN) this quarter.

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STATUS OF FUNDS

STATUS OF FUNDS

In accord with SIGAR’s legislative mandate, this section details the status of U.S. funds appropriated, obligated, and disbursed for reconstruction activities in Afghanistan. As of December 31, 2019, the United States had appropriated approximately \$136.97 billion for reconstruction and related activities in Afghanistan since FY 2002. Total Afghanistan reconstruction funding has been allocated as follows:

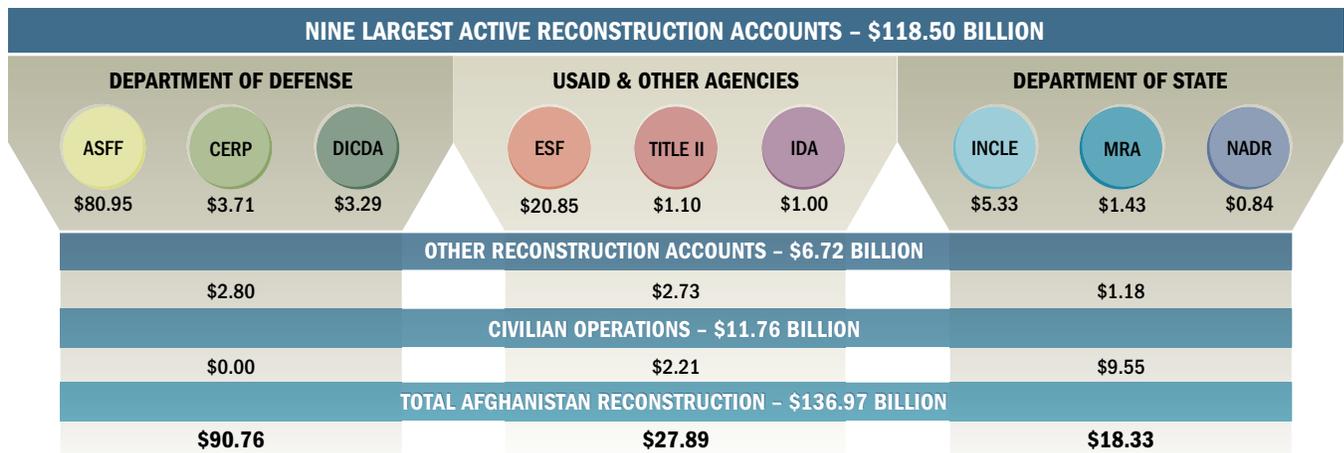
- \$86.38 billion for security (including \$4.61 billion for counternarcotics initiatives)
- \$34.96 billion for governance and development (\$4.36 billion for counternarcotics initiatives)
- \$3.90 billion for humanitarian aid
- \$11.76 billion for civilian operations

Figure 3.1 shows the nine largest active U.S. funds that contribute to these efforts. Prior to January 2019, SIGAR reported on seven major funds; the current nine-fund format includes appropriations that have placed significant amounts in other funds.

- ASFF:** Afghanistan Security Forces Fund
- CERP:** Commander’s Emergency Response Program
- DICDA:** Drug Interdiction and Counter-Drug Activities
- ESF:** Economic Support Fund
- TITLE II:** Public Law No. 480 Title II
- IDA:** International Disaster Assistance
- INCLE:** International Narcotics Control and Law Enforcement
- MRA:** Migration and Refugee Assistance
- NADR:** Non-Proliferation, Antiterrorism, Demining, and Related Programs

FIGURE 3.1

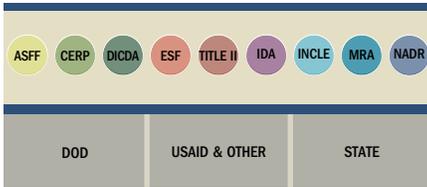
U.S. APPROPRIATIONS SUPPORTING AFGHANISTAN RECONSTRUCTION EFFORTS (\$ BILLIONS)



Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

STATUS OF FUNDS



U.S. RECONSTRUCTION FUNDING FOR AFGHANISTAN

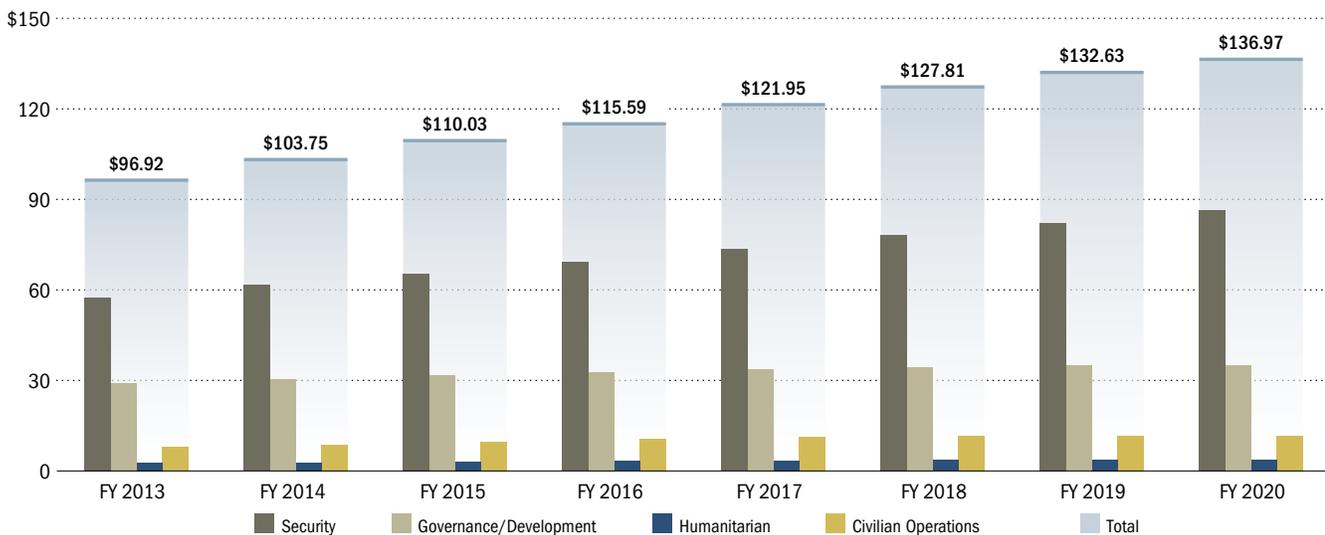
As of December 31, 2019, cumulative appropriations for reconstruction and related activities in Afghanistan totaled approximately \$136.97 billion, as shown in Figure 3.2. This total can be divided into four major categories of reconstruction and related funding: security, governance and development, humanitarian, and oversight and operations. Approximately \$8.97 billion of these funds support counternarcotics initiatives that crosscut the security (\$4.61 billion) and governance and development (\$4.36 billion) categories. For complete information regarding U.S. appropriations, see Appendix B.

The amount provided to the nine largest active U.S. funds represents more than 86.5% (more than \$118.50 billion) of total reconstruction assistance in Afghanistan since FY 2002. Of this amount, over 89.8% (\$106.46 billion) has been obligated, and over 86.6% (nearly \$102.67 billion) has been disbursed. An estimated \$5.82 billion of the amount appropriated for these funds has expired and will therefore not be disbursed.

President Donald J. Trump signed the Consolidated Appropriations Act, 2020 (H.R. 1158) and the Further Consolidated Appropriations Act, 2020 (H.R. 1865) into law on December 20, 2019, providing appropriations for the Departments of Defense and State, the U.S. Agency for International Development, the U.S. Agency for Global Media, the Overseas Private Investment Corporation (soon to be renamed the U.S. International Development Finance Corporation) and SIGAR, among others. Also in the quarter, the Department of State, the U.S. Congress, and the Office of Management and Budget agreed on the allocation of the

FIGURE 3.2

CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY AS OF DECEMBER 31, 2019 (\$ BILLIONS)



Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

STATUS OF FUNDS

FY 2019 appropriation for the global foreign assistance accounts to specific countries, including Afghanistan, under the Section 653(a) process. These two sets of measures served to increase cumulative appropriations in the quarter, principally through additional funding of the Afghanistan Security Forces Fund (ASFF), the Economic Support Fund (ESF), and the International Narcotics Control and Law Enforcement (INCLE) account, as shown in Figure 3.3.

Since 2002, the United States has provided more than \$15.67 billion in on-budget assistance to the government of Afghanistan. This includes nearly \$10.08 billion provided to Afghan government ministries and institutions, and more than \$5.59 billion to three multinational trust funds—the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme-managed Law and Order Trust Fund for Afghanistan (LOTFA), and the Asian Development Bank-managed Afghanistan Infrastructure Trust Fund (AITF). Table 3.1 shows U.S. on-budget assistance disbursed to the Afghan government and multilateral trust funds.

TABLE 3.1

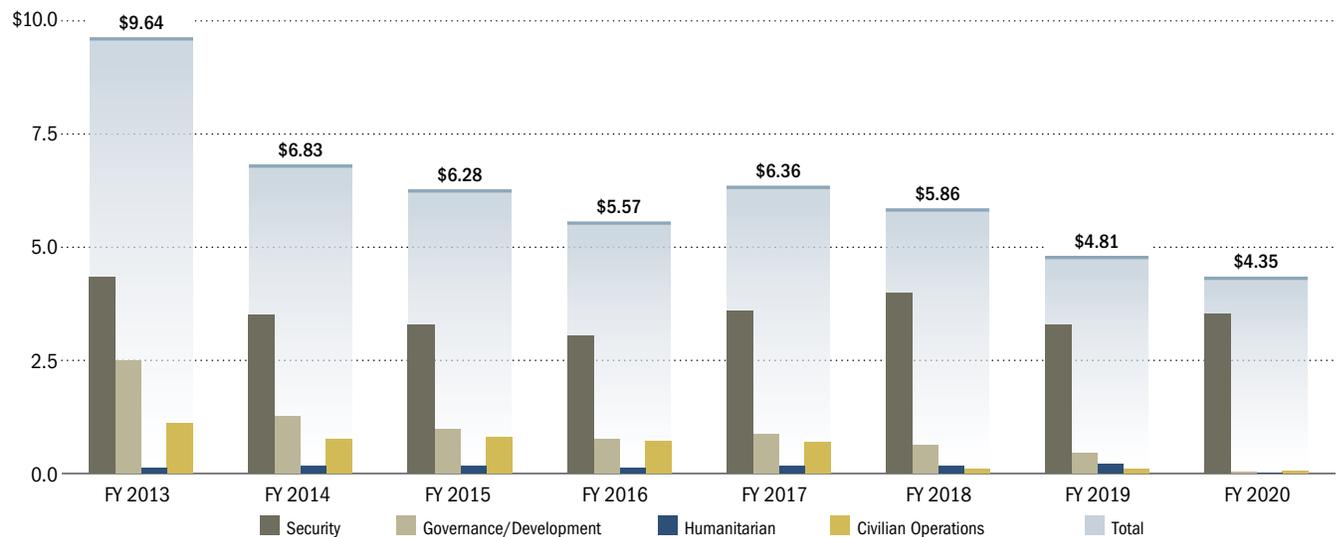
U.S. ON-BUDGET ASSISTANCE TO AFGHANISTAN SINCE 2002 (\$ MILLIONS)	
	Disbursements
Total On-Budget Assistance	\$15,670.70
Government-to-Government	10,079.30
DOD	9,240.10
USAID	754.02
State	85.19
Multilateral Trust Funds	5,591.39
ARTF	3,767.68
LOTFA	1,670.04
AITF	153.67

Note: Numbers have been rounded.

Source: USAID, response to SIGAR data call, 1/13/2020; State, response to SIGAR data call, 10/18/2018; DOD, response to SIGAR data call, 1/9/2020 and 10/19/2018; World Bank, ARTF: Administrator's Report on Financial Status as of October 22, 2019 (end of 10th month of FY 1398), accessed 1/9/2020; UNDP, LOTFA Receipts 2002–2019 and LOTFA MPTF Receipts 2002–2019, updated 1/16/2020, in response to SIGAR data call, 1/16/2020.

FIGURE 3.3

ANNUAL APPROPRIATIONS BY FUNDING CATEGORY (\$ BILLIONS)



Note: Numbers have been rounded.

Source: Details of accounts, including sources of data, are provided in Appendix B to this report.

STATUS OF FUNDS

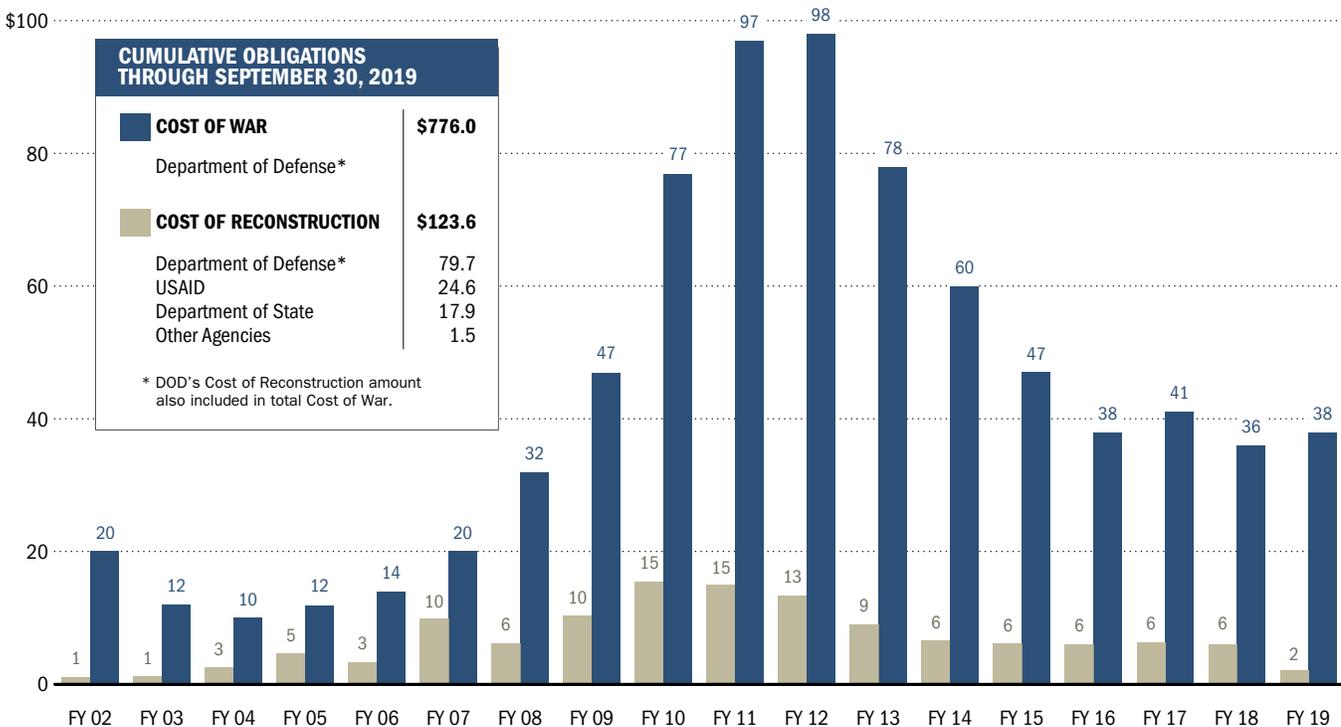
U.S. COST OF WAR AND RECONSTRUCTION IN AFGHANISTAN

Reconstruction costs for Afghanistan equal approximately 16% of all funds obligated by the Department of Defense for Afghanistan since 2001. DOD reported in its *Cost of War Report* as of September 30, 2019, that it had obligated \$776.0 billion for Operation Enduring Freedom and Operation Freedom's Sentinel in Afghanistan, including the cost of maintaining U.S. troops in Afghanistan. This amount surpassed for the first time the \$771.1 billion obligated for the U.S. missions begun in Iraq in 2003, Operation New Dawn and Operation Inherent Resolve.⁴⁸

The comparable figures for Afghanistan reconstruction, consisting of obligations (appropriated funds committed to particular programs or projects for disbursement) of the DOD, Department of State, USAID, and other agencies was \$123.6 billion at that date. Note that the DOD contribution to the reconstruction of Afghanistan is contained in both the \$776.0 billion Cost of War and \$123.6 billion Cost of Reconstruction figures. Figure 3.4 presents the annual and cumulative costs for war and reconstruction in Afghanistan.

FIGURE 3.4

AFGHANISTAN COST OF WAR AND RECONSTRUCTION, ANNUAL AND CUMULATIVE OBLIGATIONS FY 2002 TO FY 2019 (\$ BILLIONS)



Note: Numbers have been rounded. Cumulative obligations through September 30, 2019, differ markedly from cumulative appropriations through December 31, 2019, as presented elsewhere in the Status of Funds section, because the former figures do not include unobligated appropriations and DOD Cost of War reporting lags by one quarter.

Source: DOD, Cost of War Monthly Report, Total War-related Obligations by Year Incurred, data as of September 30, 2019. Obligation data shown against year funds obligated. SIGAR analysis of annual obligation of reconstruction accounts as presented in SIGAR's Quarterly Report to the United States Congress, 10/30/2019. Obligation data shown against year funds appropriated.

STATUS OF FUNDS

AFGHANISTAN RECONSTRUCTION FUNDING PIPELINE

Since 2002, Congress has appropriated more than \$136.97 billion for reconstruction and related activities in Afghanistan. Of this amount, over \$118.50 billion (86.5%) was appropriated to the nine largest active reconstruction accounts, as shown in Table 3.2.

As of December 31, 2019, approximately \$10.01 billion of the amount appropriated to the nine largest active reconstruction funds remained for possible disbursement, as shown in Figure 3.5. These funds will be used to train, equip, and sustain the Afghan National Defense and Security Forces (ANDSF); complete on-going, large-scale infrastructure projects, such as those funded by the AIF and ESF; combat narcotics production and trafficking; and advance the rule of law, strengthen the justice sector, and promote human rights.

TABLE 3.2

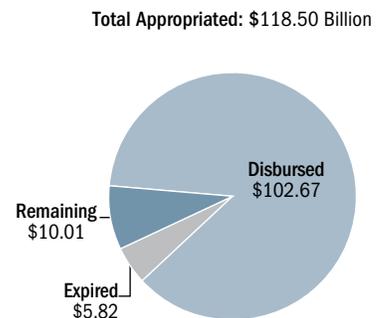
CUMULATIVE AMOUNTS APPROPRIATED, OBLIGATED, DISBURSED, AND REMAINING FY 2002–2020 (\$ BILLIONS)				
	Appropriated	Obligated	Disbursed	Remaining
Afghanistan Security Forces Fund (ASFF)	\$80.95	\$72.06	\$71.31	\$6.52
Economic Support Fund (ESF)	20.85	19.60	17.36	2.58
International Narcotics Control and Law Enforcement (INCLE)	5.33	5.09	4.44	0.69
Commander's Emergency Response Program (CERP)	3.71	2.29	2.29	0.00
Drug Interdiction and Counter-Drug Activities (DICDA)	3.29	3.26	3.26	0.03
Migration and Refugee Assistance (MRA)	1.43	1.42	1.40	0.02
Public Law 480 Title II Emergency (Title II)	1.10	1.10	1.10	0.00
International Disaster Assistance (IDA)	1.00	0.95	0.80	0.17
Non-Proliferation, Antiterrorism, Demining, and Related (NADR)	0.84	0.70	0.70	0.00
Total Nine Largest Active Accounts	118.50	106.46	102.67	10.01
Other Reconstruction Funds	6.72			
Civilian Operations	11.76			
Total	\$136.97			

Note: Numbers have been rounded. The amount remaining reflects the total disbursement potential of the nine largest active reconstruction accounts after deducting approximately \$5.82 billion that has expired. Expired funds equal the amount appropriated but not obligated after the period of availability for obligation has ended and thereafter includes amounts deobligated and canceled. The amount remaining for potential disbursement for Other Reconstruction Funds equals approximately \$1.10 million; for Civilian Operations the amount can not be determined but likely equals less than one-half of the most recent annual appropriation.

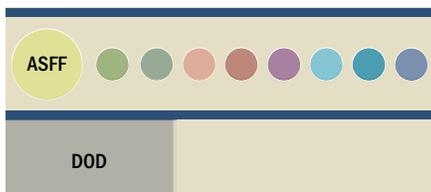
Source: SIGAR analysis of appropriation laws and obligation and disbursement data provided by DOD, State, and USAID, 1/20/2020.

FIGURE 3.5

STATUS OF APPROPRIATED FUNDS, NINE LARGEST ACTIVE ACCOUNTS (\$ BILLIONS)



STATUS OF FUNDS



ASFF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

Financial and Activity Plan: DOD notification to Congress of its plan for obligating the ASFF appropriation, as well as updates to that plan involving any proposed new projects or transfer of funds between budget subactivity groups in excess of \$20 million, as required by the annual DOD appropriation act.

Reprogramming: Shifting funds within an appropriation or fund to use them for purposes other than those contemplated at the time of appropriation.

Rescission: Legislation enacted by Congress that cancels the availability of budget authority previously enacted before the authority would otherwise expire.

Source: GAO, Glossary of Terms Used in the Federal Budget Process, 9/2005; DOD, response to SIGAR data call, 1/23/2020.

AFGHANISTAN SECURITY FORCES FUND

Congress created the Afghanistan Security Forces Fund (ASFF) to provide the ANDSF with equipment, supplies, services, training, and funding for salaries, as well as facility and infrastructure repair, renovation, and construction.⁴⁹ The primary organization responsible for building the ANDSF is the Combined Security Transition Command-Afghanistan (CSTC-A).⁵⁰ A **Financial and Activity Plan (FAP)** setting forth the budget for each annual ASFF appropriation must be approved by the Afghanistan Resources Oversight Council (AROC), concurred in by the Department of State, and prior notification provided to the U.S. Congress before ASFF funds may be obligated.⁵¹

President Donald J. Trump signed into law the Consolidated Appropriations Act, 2020, on December 20, 2019, which under Division A-Department of Defense Appropriations Act, 2020, provided an appropriation of \$4.20 billion for ASFF FY 2020 and a **rescission** of \$396.00 million for ASFF FY 2019. This decrease in the funding for ASFF FY 2019 follows a \$604.00 million reduction through **Reprogramming** Action FY 19-02 RA in May 2019, bringing the original ASFF FY 2019 appropriation of \$4.92 billion down to an adjusted appropriation of \$3.92 billion as shown below in Figure 3.6.⁵² As of December 31, 2019, cumulative appropriations for ASFF stood at \$80.95 billion, with \$72.06 billion in funding having been obligated, and \$71.31 billion having been disbursed, as shown in Figure 3.7. DOD reported that cumulative obligations increased

FIGURE 3.6

ASFF APPROPRIATED FUNDS BY FISCAL YEAR (\$ BILLIONS)

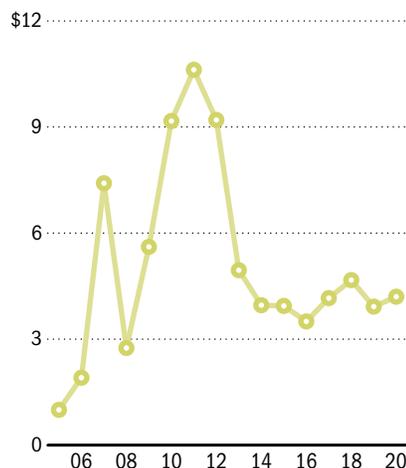
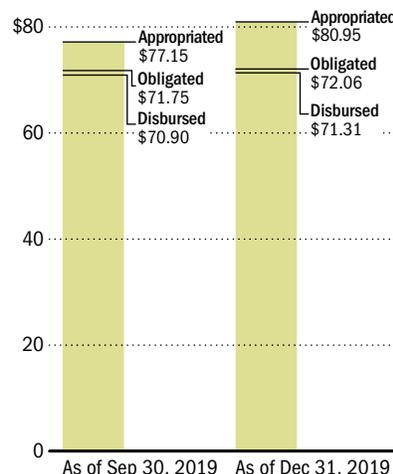


FIGURE 3.7

ASFF FUNDS, CUMULATIVE COMPARISON (\$ BILLIONS)



Note: Numbers have been rounded. Data reflects reprogramming actions and rescissions. DOD reprogrammed \$1 billion from FY 2011 ASFF, \$1 billion from FY 2012 ASFF, \$178 million from FY 2013 ASFF, and \$604 million from FY 2019 ASFF to fund other DOD requirements. DOD reprogrammed \$230 million into FY 2015 ASFF. ASFF data reflect the following rescissions: \$1 billion from FY 2012 in Pub. L. No. 113-6, \$764.38 million from FY 2014 in Pub. L. No. 113-235, \$400 million from FY 2015 in Pub. L. No. 114-113, \$150 million from FY 2016 in Pub. L. No. 115-31, and \$396 million from FY 2019 in Pub. L. No. 116-93.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2019," 1/19/2020; DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts September 2019," 10/18/2019; Pub. L. Nos. 116-93, 115-141, 115-31, 114-113, 113-235, 113-76, and 113-6; OSD Comptroller, 16-22 PA: Omnibus 2016 Prior Approval Request, 6/30/2016.

STATUS OF FUNDS

by more than \$305.67 million during the quarter ending December 31, 2019, and that cumulative disbursements increased by nearly \$415.50 million.⁵³

ASFF Budget Activities

DOD budgeted and reported on ASFF by three **Budget Activity Groups** (BAGs) through the FY 2018 appropriation. These BAGs consisted of:

- Defense Forces (Afghan National Army, ANA)
- Interior Forces (Afghan National Police, ANP)
- Related Activities (primarily Detainee Operations)

Funds for each BAG are further allocated to four **subactivity groups** (SAGs): Sustainment, Infrastructure, Equipment and Transportation, and Training and Operations. The AROC must approve the requirement and acquisition plan for any service requirements in excess of \$50 million annually and for any nonstandard equipment requirement in excess of \$100 million.⁵⁴

As of December 31, 2019, DOD had disbursed more than \$69.29 billion from the ASFF appropriations for FY 2005 through FY 2018. Of this amount, more than \$47.48 billion was disbursed for the ANA, and nearly \$21.44 billion was disbursed for the ANP.

As shown in Figure 3.8, the largest portion of the funds disbursed for the ANA—nearly \$23.48 billion—supported ANA sustainment for the troops and equipment. Of the funds disbursed for the ANP, the largest portion—more than \$9.57 billion—also supported sustainment of ANP forces, shown in Figure 3.9.⁵⁵

Budget Activity Groups: Categories within each appropriation or fund account that identify the purposes, projects, or types of activities financed by the appropriation or fund.

Subactivity Groups: Accounting groups that break down the command's disbursements into functional areas.

Source: DOD, Manual 7110.1-M Department of Defense Budget Guidance Manual, accessed 9/28/2009; Department of the Navy, Medical Facility Manager Handbook, p. 5, accessed 10/2/2009.

FIGURE 3.8

ASFF DISBURSEMENTS FOR THE ANA BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH DECEMBER 31, 2019 (\$ BILLIONS)

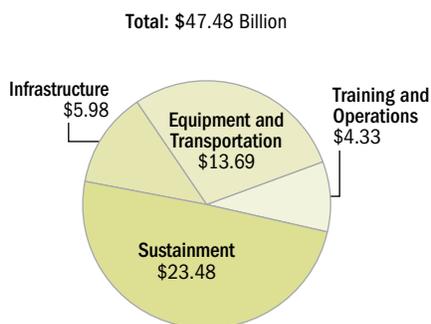
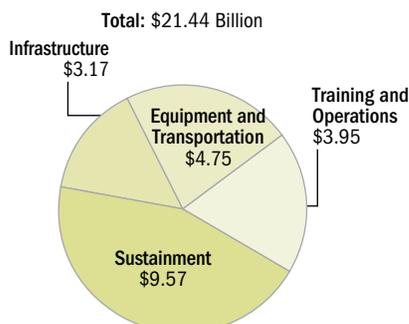


FIGURE 3.9

ASFF DISBURSEMENTS FOR THE ANP BY SUBACTIVITY GROUP, FY 2005 TO FY 2018 APPROPRIATIONS THROUGH DECEMBER 31, 2019 (\$ BILLIONS)



Note: Numbers have been rounded. Excludes the ASFF FY 2019 and FY 2020 appropriations, which are presented by four Budget Activity Groups, consisting of the ANA, ANP, AAF, and ASFF.

Source: DFAS, "AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2019," 1/19/2020.

STATUS OF FUNDS

New ASFF Budget Activity Groups for FY 2019 and FY 2020

DOD revised its budgeting and reporting framework for ASFF beginning with its ASFF budget request for FY 2019, submitted to Congress in February 2018, and with its reporting beginning on October 1, 2018. The new framework restructures the Afghan National Army (ANA) and Afghan National Police (ANP) budget activity groups (BAGs) to better reflect the ANDSF force structure and new budget priorities. In FY 2018 and previous years, all costs associated with the Afghan Air Force (AAF) fell under the ANA BAG and costs for the Afghan Special Security Forces (ASSF) were split between the ANA and ANP BAGs. Beginning with the ASFF FY 2019 appropriation, the ANDSF consists of the ANA, ANP, AAF, and ASSF BAGs, as presented below in Table 3.3.

TABLE 3.3

ASFF FY 2019 BUDGET, OBLIGATIONS, AND DISBURSEMENTS THROUGH DECEMBER 31, 2019 (\$ MILLIONS)			
Budget Activity Groups	Revised Budget Post-Rescission	Obligations	Disbursements
Afghan National Army	\$1,378.03	\$798.94	\$595.76
Afghan National Police	676.47	351.19	251.97
Afghan Air Force	1,099.03	835.27	788.75
Afghan Special Security Forces	766.48	360.63	353.90
Total	\$3,920.00	\$2,346.02	\$1,990.38

Note: All numbers have been rounded, including totals, and consequently may not match precisely. Disbursements total excludes undistributed disbursements of \$31.30 million.

Source: DOD, Fiscal Year 2019, Afghanistan Security Forces Fund (ASFF), Line Item Detail, 1/15/2020; AR(M) 1002 Appropriation Status by FY Program and Subaccounts December 2019, 1/19/2020.

Table 3.4 on the opposite page tracks the evolution of the ASFF FY 2019 budget beginning with Financial and Activity Plan 19-1 (FAP 19-1), which aligned the Administration's ASFF FY 2019 Budget Request of \$5.20 billion with the actual FY 2019 appropriation amount of \$4.92 billion, through the reprogramming action in May 2019, the realignment of budget priorities through FAP 19-2 (June 2019) and FAP 19-3 (October 2019), and most recently, the rescission enacted in December 2019.⁵⁶

NATO ANA Trust Fund

The NATO ANA Trust Fund (NATF) has contributed more than \$1.63 billion to ASFF for specific projects funded by donor nations, and ASFF has returned more than \$395.66 million of these funds following the cancellation or completion of these projects. DOD has obligated nearly \$990.23 million and disbursed nearly \$842.12 million of NATF-contributed funds through ASFF as of November 30, 2019.⁵⁷ These amounts are not reflected in the U.S. government-funded ASFF obligation and disbursement numbers presented in Figures 3.6 and 3.7.

STATUS OF FUNDS

TABLE 3.4

ASFF FY 2019 APPROPRIATION, REPROGRAMMING ACTION, BUDGET REALIGNMENTS (FAP 19-2 AND FAP 19-3), AND RESCISSION (\$ MILLIONS)					
	FY 2019 Appropriated (FAP 19-1)	May 2019 Reprogram- ming Action	Budget Re- alignments (FAPs 19-2 and 19-3)	Dec. 2019 Enacted Rescission	Dec. 2019 Revised Budget
Afghanistan Security Forces Fund, Total	\$4,920.00	(\$604.00)	\$ —	(\$396.00)	\$3,920.00
Afghan National Army, Total	1,639.99	(279.00)	17.04		1,378.03
Sustainment, Total	1,274.99	(251.00)	24.10		1,048.10
Personnel	608.95	(185.79)	(0.94)		422.22
Ammunition	88.62	(23.73)	23.54		88.43
Communications & Intelligence	187.63	(30.62)	(12.48)		144.53
Petroleum, Oil, and Lubricants	52.23	57.75	0.00		109.97
All Other	337.57	(68.60)	13.98		282.95
Infrastructure, Total	137.73	(1.10)	19.83		156.46
Equipment and Transportation, Total	62.17	(5.70)	(21.15)		35.33
Training and Operations, Total	165.10	(21.20)	(5.75)		138.14
Afghan National Police, Total	726.26	(117.20)	67.40		676.47
Sustainment, Total	497.55	(72.17)	84.64		510.02
Petroleum, Oil, and Lubricants	105.47	(28.58)	0.00		76.88
All Other	392.09	(43.59)	84.64		433.1w4
Infrastructure, Total	42.98	(26.13)	(6.00)		10.85
Equipment and Transportation, Total	14.55	(6.60)	11.17		19.13
Training and Operations, Total	171.17	(12.30)	(22.41)		136.46
Afghan Air Force, Total	1,728.26	(71.90)	(161.34)	(396.00)	1,099.03
Sustainment, Total	893.17	(51.04)	(162.57)		679.56
Personnel	33.53	(21.39)	21.39		33.53
Ammunition	98.27	(26.59)	25.23		96.91
Petroleum, Oil, and Lubricants	56.40	(36.42)	26.70		46.68
Aircraft Contracted Support	692.29	32.00	(234.52)		489.77
All Other	12.69	1.35	(1.38)		12.66
Infrastructure, Total	30.35	(5.50)	0.00		24.85
Equipment and Transportation, Total	537.55	(6.09)	14.30	(396.00)	149.76
Aircraft	529.31	(5.61)	14.30	(396.00)	142.01
Other Equipment and Tools	8.24	(0.49)	0.00		7.75
Training and Operations, Total	267.19	(9.27)	(13.07)		244.85
Afghan Special Security Forces, Total	825.48	(135.90)	76.90		766.48
Sustainment, Total	476.94	(100.34)	8.16		384.77
Aircraft Sustainment	132.91	44.28	0.00		177.19
Personnel	142.66	(79.42)	24.48		87.71
All Other	201.37	(65.19)	(16.32)		119.86
Infrastructure, Total	43.13	(1.54)	8.40		49.99
Equipment and Transportation, Total	152.03	(34.02)	19.17		137.18
Training and Operations, Total	153.37	0.00	41.17		194.54

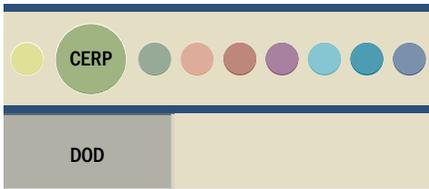
The ASFF FY 2019 budget reduction of \$1.0 billion has three major components:

- The ANA, AAF, and ASSF Personnel budgets were reduced by \$241.68 million, primarily through the reprogramming action.
- AAF Aircraft Contracted Support was reduced by \$202.52 million, primarily through budget realignments.
- AAF UH-60 helicopter procurement was eliminated through the \$396.00 million rescission.

Note: DOD reprogrammed \$1.50 billion from various accounts, including \$604.00 million from the ASFF FY 2019 account, to the Drug Interdiction and Counter-Drug Activities, Defense (DICDA) FY 2019 account as part of Reprogramming Action FY 19-02 RA on May 10, 2019, to support Department of Homeland Security (DHS) counterdrug activities along the U.S. southern border. See SIGAR Quarterly Report to the U.S. Congress, July 30, 2019 at pages 48–49 for additional information. Numbers have been rounded. Aircraft Contracted Support consists of the Aircraft Sustainment budget category less Ammunition and NSRWA Technical Assistance.

Source: DOD, Fiscal Year 2019, Afghanistan Security Forces Fund (ASFF), Line Item Detail, two versions received, 1/15/2020 and 7/16/2019.

STATUS OF FUNDS



CERP FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

COMMANDER'S EMERGENCY RESPONSE PROGRAM

The Commander's Emergency Response Program (CERP) enables U.S. commanders in Afghanistan to respond to urgent, small-scale, humanitarian relief and reconstruction requirements in their areas of responsibility by supporting programs that will immediately assist the local population. Funding under this program is intended for small projects estimated to cost less than \$500,000, although larger projects costing up to \$2 million may be authorized with appropriate Congressional notification.⁵⁸

The Department of Defense Appropriations Act, 2020, decreased the annual appropriation for CERP from \$10.0 million in FY 2019 to \$5.0 million in FY 2020, bringing total cumulative funding to nearly \$3.71 billion. Notably, CERP annual appropriations had equaled or exceeded \$400.00 million per year during the FY 2008 to FY 2012 period, as shown in Figure 3.10, and nearly \$1.12 billion in appropriations from this period were realigned to other Operations and Maintenance, Army, account requirements or expired without being disbursed. DOD reported that CERP cumulative appropriations, obligations, and disbursements stood at approximately \$3.71 billion, \$2.29 billion, and \$2.29 billion, respectively, at December 31, 2019, as shown in Figure 3.11.⁵⁹

FIGURE 3.10

CERP APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

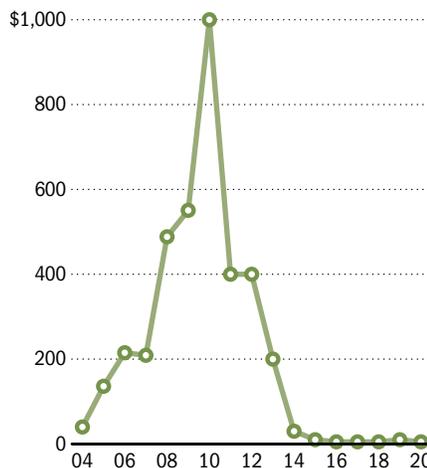
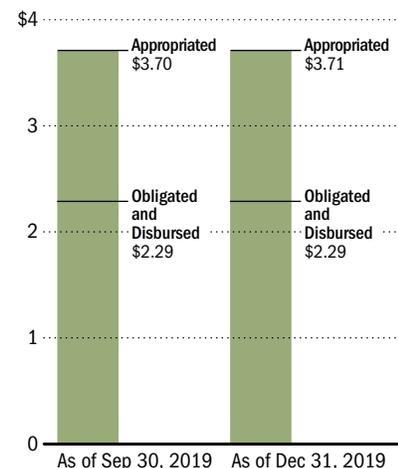


FIGURE 3.11

CERP FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



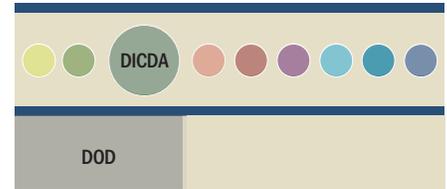
Note: Numbers have been rounded. Data may include interagency transfers. Analysis includes data from a draft DOD financial report because the final version had not been completed when this report went to press.

Source: DOD, response to SIGAR data call, 1/17/2020 and 10/17/2019; OMB, response to SIGAR data call, 1/4/2013; Pub. L. Nos. 115-141, 115-31, 114-113, 113-235, 113-76, 113-6, 112-74, 112-10.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES

The Drug Interdiction and Counter-Drug Activities (DICDA), Defense appropriation provides funding for efforts intended to stabilize Afghanistan by combating the drug trade and related activities. The DOD Counterdrug group allocates this funding to support the Counternarcotics Police of Afghanistan units (mentored by the DEA and U.S. Army Special Forces) who investigate high-value targets and conduct drug-interdiction operations. Funding is also provided to the Afghanistan Special Mission Wing (SMW) to support their fleet of rotary- and fixed-wing aircraft. The SMW's aircraft provide air mobility to conduct intelligence, surveillance, and reconnaissance operations aimed at counterdrug and counter-terrorism operations in country.⁶⁰

The DOD Counterdrug group reprograms appropriated DICDA funds from the Central Transfer Account (CTA) to the military services and defense agencies, which track obligations of the transferred funds. The group allocated funding to Afghanistan programs and transferred \$132.36 million to the CTA in the quarter ending March 31, 2019, but withdrew \$122.18 million of these funds in the quarter ending September 30, 2019, resulting in a net transfer of \$10.18 million for FY 2019, as shown in Figure 3.12.⁶¹ A transfer of \$33.81 million in DICDA funds for Afghanistan programs in the first quarter of FY 2020 resulted in cumulative amounts appropriated and transferred from the CD CTA reaching \$3.29 billion at December 31, 2019, as shown in Figure 3.13.⁶²



DICDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.12

DICDA APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

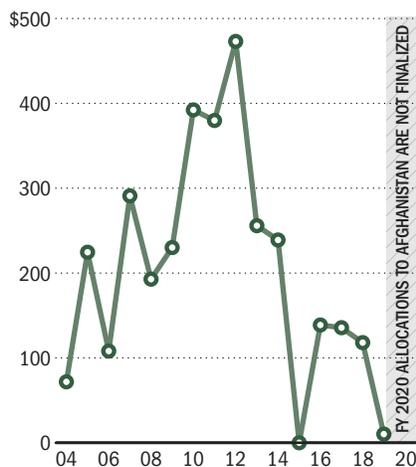
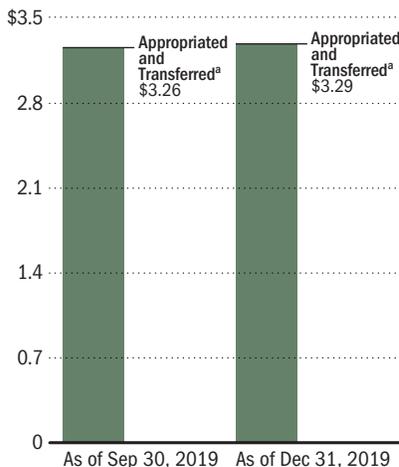


FIGURE 3.13

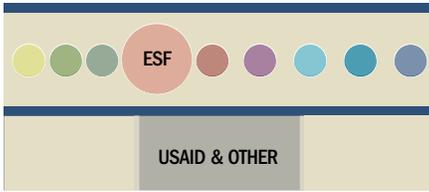
DICDA FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. DOD reprogrammed \$125.13 million out of FY 2015 DICDA and \$122.18 million out of FY 2019 DICDA due to requirements for the Afghanistan Special Mission Wing being funded from the ASFF instead of DICDA.
^a DOD reprograms all DICDA funds to the military services and defense agencies for obligation and disbursement.

Source: DOD, response to SIGAR data call, 1/10/2020 and 10/9/2019; OSD Comptroller, 15-23 PA: Omnibus 2015 Prior Approval Request, 6/30/2015, p. 42.

STATUS OF FUNDS



ESF FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

ECONOMIC SUPPORT FUND

Economic Support Fund (ESF) programs are intended to advance U.S. interests by helping countries meet short- and long-term political, economic, and security needs. ESF programs support counterterrorism; bolster national economies; and assist in the development of effective, accessible, independent legal systems for a more transparent and accountable government.⁶³

The ESF was allocated \$350.00 million for Afghanistan for FY 2019 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending December 31, 2019. This represents a 30% reduction from the \$500.00 million allocation for FY 2018. The Section 653(a) allocations to Afghanistan for the Department of State, Foreign Operations, and Related Programs appropriation for FY 2020 enacted on December 20, 2019, have not been determined. Cumulative appropriations for the ESF stands at nearly \$20.85 billion, of which more than \$19.60 billion had been obligated and more than \$17.36 billion had been disbursed as of December 31, 2019.⁶⁴ Figure 3.14 below shows ESF appropriations by fiscal year, and Figure 3.15 shows cumulative appropriations, obligations, and disbursements as of September 30 and December 31, 2019.

FIGURE 3.14

ESF APPROPRIATIONS BY FISCAL YEAR
(\$ BILLIONS)

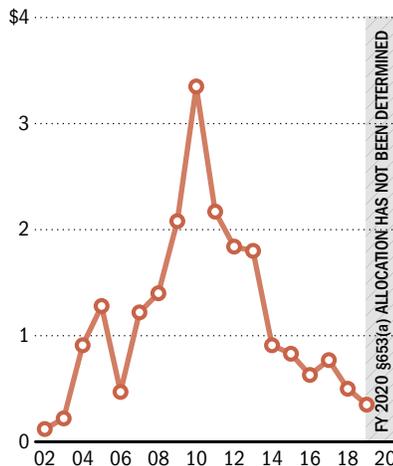
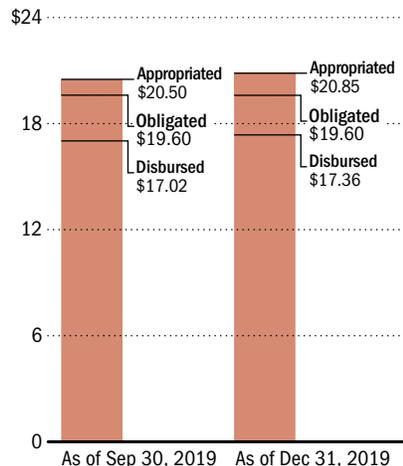


FIGURE 3.15

ESF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



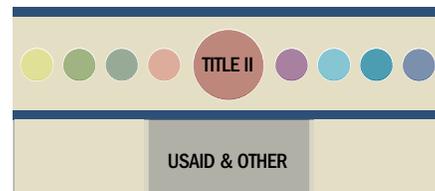
Note: Numbers have been rounded. Data reflects the following transfers from AIF to the ESF: \$101 million for FY 2011, \$179.5 million for FY 2013, and \$55 million for FY 2014. FY 2016 ESF for Afghanistan was reduced by \$179 million and put toward the U.S. commitment to the Green Climate Fund.

Source: USAID, response to SIGAR data call, 1/13/2020 and 10/16/2019; State, response to SIGAR data call, 1/3/2020, 10/11/2017, 5/4/2016, 10/20/2015, 4/15/2015, and 4/15/2014.

FOOD FOR PEACE: TITLE II AND IDA PROGRAMS

USAID's Office of Food for Peace (FFP) administers Public Law 480 Title II and International Disaster Assistance (IDA) account resources that are requested and appropriated on a contingency basis to meet humanitarian needs worldwide, with a focus on emergency food and nutrition assistance. Food for Peace Title II resources are authorized by the Food for Peace Act and appropriated under the Agriculture appropriations bill, while IDA resources are authorized by the Foreign Assistance Act and Global Food Security Act and appropriated under the State, Foreign Operations, and Related Programs appropriation. FFP obligates funding for emergency food-assistance projects when there is an identified need and local authorities lack the capacity to respond.⁶⁵

FFP reports that it obligated nearly \$74.00 million in FY 2018, more than \$100.80 million in FY 2019, and \$5.50 million in the first quarter of FY 2020 for food assistance programs in Afghanistan. All of these obligations were undertaken with IDA funds except for the use of more than \$4.22 million in Title II Emergency funds in FY 2018. They noted that Title II funds must be used primarily for procurement of agricultural commodities in the United States, while IDA funds can be used more flexibly for local and regional procurement of commodities, food vouchers, and cash transfers. FFP stated that current plans do not require the use of Title II resources for Afghanistan in FY 2020, but these plans may change.⁶⁶ Figure 3.16 presents annual appropriations of Title II funds, and Figure 3.17 presents cumulative appropriated and transferred funds at September 30 and December 31, 2019.⁶⁷



TITLE II FUNDS TERMINOLOGY

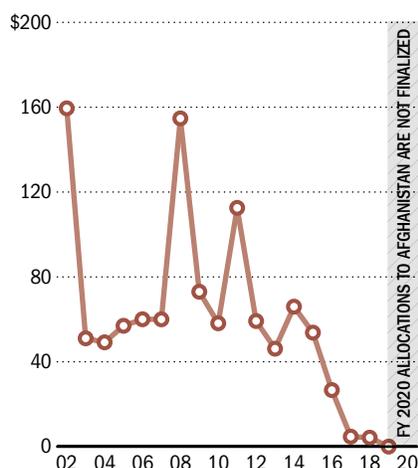
Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.16

TITLE II APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



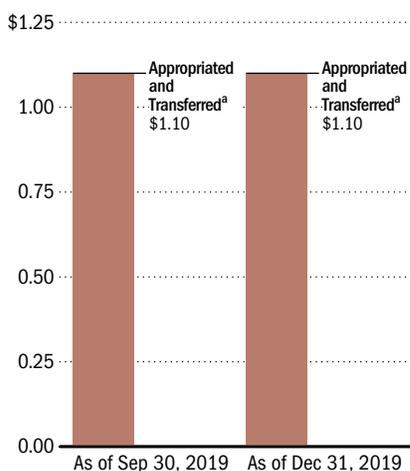
Note: Numbers have been rounded.

^a Title II Emergency account resources are requested and appropriated on a contingency basis to meet unmet humanitarian needs.

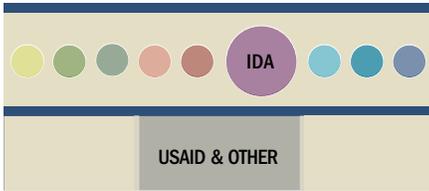
Source: USAID, response to SIGAR data call, 1/13/2020 and 10/17/2019.

FIGURE 3.17

TITLE II FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



STATUS OF FUNDS



IDA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FOREIGN DISASTER ASSISTANCE: IDA PROGRAMS

USAID’s Office of U.S. Foreign Disaster Assistance (OFDA) teams with the Office of Food for Peace (FFP) to administer International Disaster Assistance (IDA) funds.⁶⁸ OFDA is responsible for leading and coordinating the U.S. government response to disasters overseas. Its major programs include Relief Commodities & Logistics Support, Shelter & Settlements, Humanitarian Coordination & Information Management, Health, Protection, and WASH (water, sanitation, and hygiene). OFDA works closely with international partners such as the United Nations Children’s Fund (UNICEF), the United Nations World Health Organization (WHO), and others to deliver goods and services to assist conflict- and disaster-affected populations in Afghanistan.⁶⁹

USAID reported that more than \$997.92 million in IDA funds had been allocated to Afghanistan from 2002 through December 31, 2019, with obligations of nearly \$945.87 million and disbursements of nearly \$799.23 million reported as of that date.⁷⁰ Separately, OFDA reported that nearly \$520.61 million in IDA funds had been awarded to programs in Afghanistan from 2002 through December 31, 2019, with more than \$50.88 million obligated in FY 2019 and more than \$2.50 million obligated in the first quarter of FY 2020.⁷¹ Figure 3.18 presents annual appropriations of IDA funds to Afghanistan. Figure 3.19 presents cumulative appropriations, obligations, and disbursements.

FIGURE 3.18

IDA APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

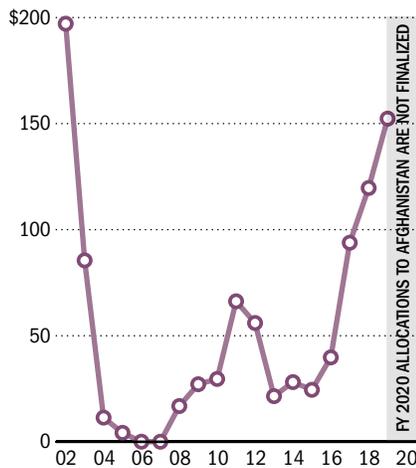
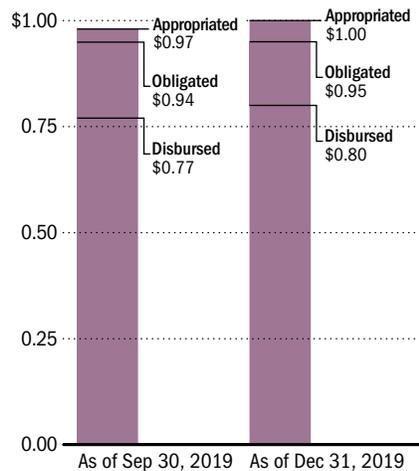


FIGURE 3.19

IDA FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



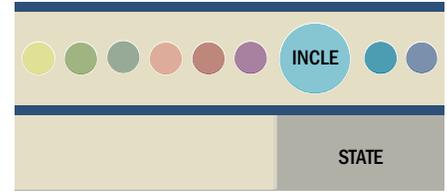
Note: Numbers have been rounded. Data may include interagency transfers.

Source: USAID, response to SIGAR data call, 1/13/2020 and 10/16/2019.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) manages the International Narcotics Control and Law Enforcement (INCLE) account which funds projects and programs for advancing the rule of law and combating narcotics production and trafficking. INCLE supports several INL program groups, including police, counternarcotics, and rule of law and justice.⁷²

The INCLE account was allocated \$87.80 million for Afghanistan for FY 2019 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending December 31, 2019. This represents a 45% reduction from the \$160.00 million allocation for FY 2018. The Section 653(a) allocations to Afghanistan for the Department of State, Foreign Operations, and Related Programs appropriation for FY 2020 enacted on December 20, 2019, have not been determined. Cumulative funding for INCLE stands at more than \$5.33 billion, of which nearly \$5.09 billion has been obligated and more than \$4.44 billion has been disbursed as of December 31, 2019. Figure 3.20 shows INCLE appropriations by fiscal year, and Figure 3.21 shows cumulative appropriations, obligations, and disbursements as of September 30 and December 31, 2019.⁷³



INCLE FUNDS TERMINOLOGY

- Appropriations:** Total monies available for commitments
- Obligations:** Commitments to pay monies
- Disbursements:** Monies that have been expended

FIGURE 3.20

INCLE APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

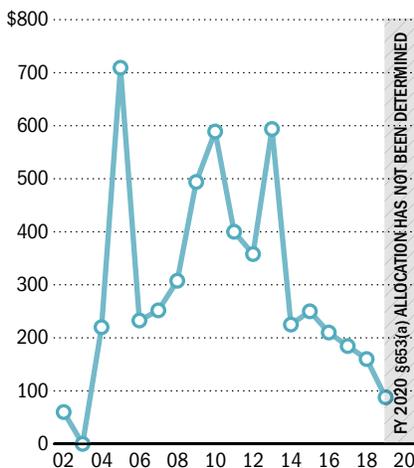
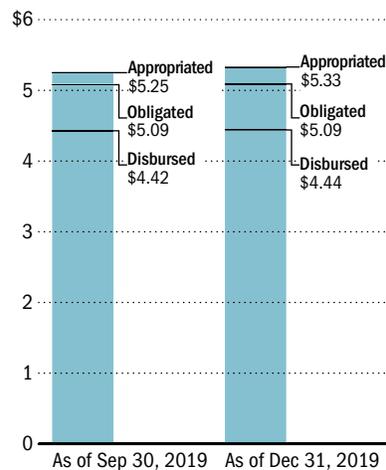


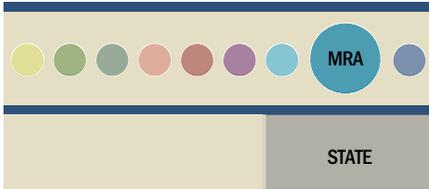
FIGURE 3.21

INCLE FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Note: Numbers have been rounded. Data may include interagency transfers.
Source: State, response to SIGAR data call, 1/10/2020, 1/3/2020, and 10/10/2019.

STATUS OF FUNDS



MRA FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

MIGRATION AND REFUGEE ASSISTANCE

The Department of State’s Bureau of Population, Refugees and Migration (PRM) administers the Migration and Refugee Assistance (MRA) account that funds programs to protect and assist refugees, conflict victims, internally displaced persons, stateless persons, and vulnerable migrants. Through MRA, PRM supports the work of the UN High Commissioner for Refugees (UNHCR), other international organizations, and various nongovernmental organizations (NGOs) in Afghanistan to support Afghan refugees throughout the region and upon their return to Afghanistan.⁷⁴

The MRA allocation for Afghan refugees, internally displaced persons, and returnees was nearly \$77.19 million for FY 2018, and nearly \$85.40 million for FY 2019, but only slightly more than \$0.71 million in the first quarter of FY 2020. Cumulative appropriations since 2002 totaled nearly \$1.43 billion as of December 31, 2019, with cumulative obligations and disbursements reaching nearly \$1.42 billion and nearly \$1.40 billion, respectively, on that date. Figure 3.22 shows MRA appropriations by fiscal year, and Figure 3.23 shows cumulative appropriations, obligations, and disbursements as of September 30 and December 31, 2019.⁷⁵

FIGURE 3.22

MRA APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

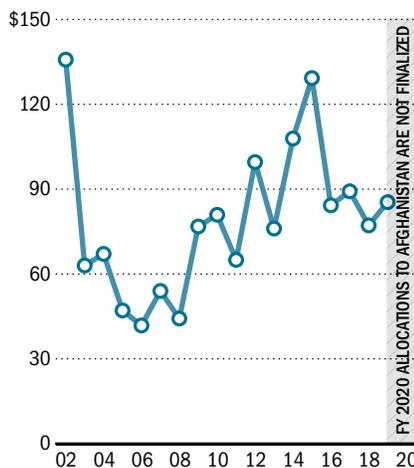
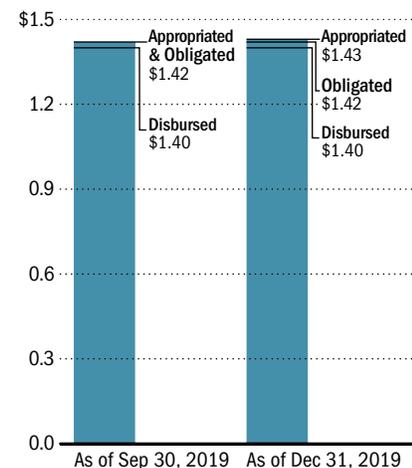


FIGURE 3.23

MRA FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



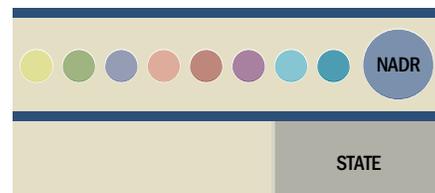
Note: Numbers have been rounded. Data may include interagency transfers.

Source: State, response to SIGAR data call, 1/16/2020 and 10/16/2019.

NONPROLIFERATION, ANTITERRORISM, DEMINING, AND RELATED PROGRAMS

The Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account plays a critical role in improving the Afghan government's capacity to address terrorist threats, protect its borders, and remove dangerous explosive remnants of war.⁷⁶ The majority of NADR funding for Afghanistan is funneled through two subaccounts, Antiterrorist Assistance (ATA) and Conventional Weapons Destruction (CWD), with additional funds going to Export Control and Related Border Security (EXBS) and Counterterrorism Financing (CTF).⁷⁷ The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus and offices that obligate and disburse these funds.⁷⁸

The NADR account was allocated \$38.30 million for Afghanistan for FY 2019 through the Section 653(a) consultation process that was concluded among State, the U.S. Congress and OMB in the quarter ending December 31, 2019. This represents a 5% increase from the \$36.6 million allocation for FY 2018. The Section 653(a) allocations to Afghanistan for the Department of State, Foreign Operations, and Related Programs appropriation for FY 2020 enacted on December 20, 2019, have not been determined. Figure 3.24 shows annual allocations to the NADR account, and Figure 3.25 shows that the cumulative total of NADR funds appropriated and transferred increased from \$804.54 million as of September 30, 2019, to \$842.84 million at December 31, 2019.⁷⁹



NADR FUNDS TERMINOLOGY

Appropriations: Total monies available for commitments

Obligations: Commitments to pay monies

Disbursements: Monies that have been expended

FIGURE 3.24

NADR APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

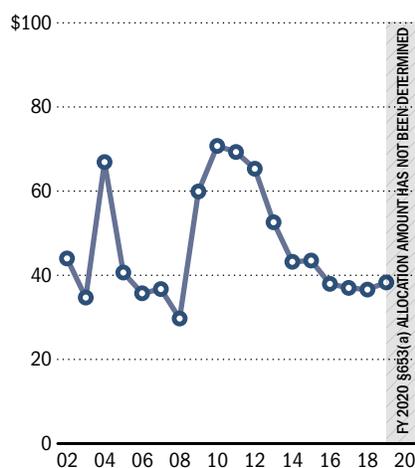
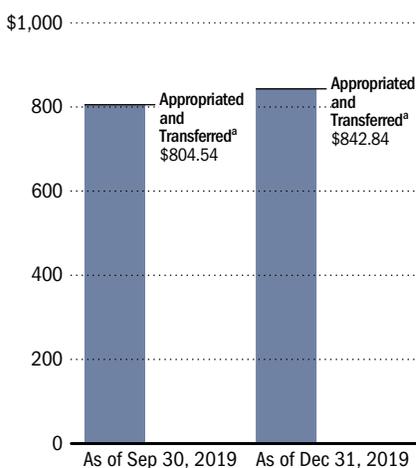


FIGURE 3.25

NADR FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



Note: Numbers have been rounded.

^a State and Congress agree on the country-by-country allocation of annual appropriations for the foreign assistance accounts, including NADR, through the Section 653(a) process. The Office of Foreign Assistance Resources makes allocated funding available to relevant bureaus at State that obligate and disburse these funds.

Source: State, response to SIGAR data call, 1/3/2020.

STATUS OF FUNDS

INTERNATIONAL RECONSTRUCTION FUNDING FOR AFGHANISTAN

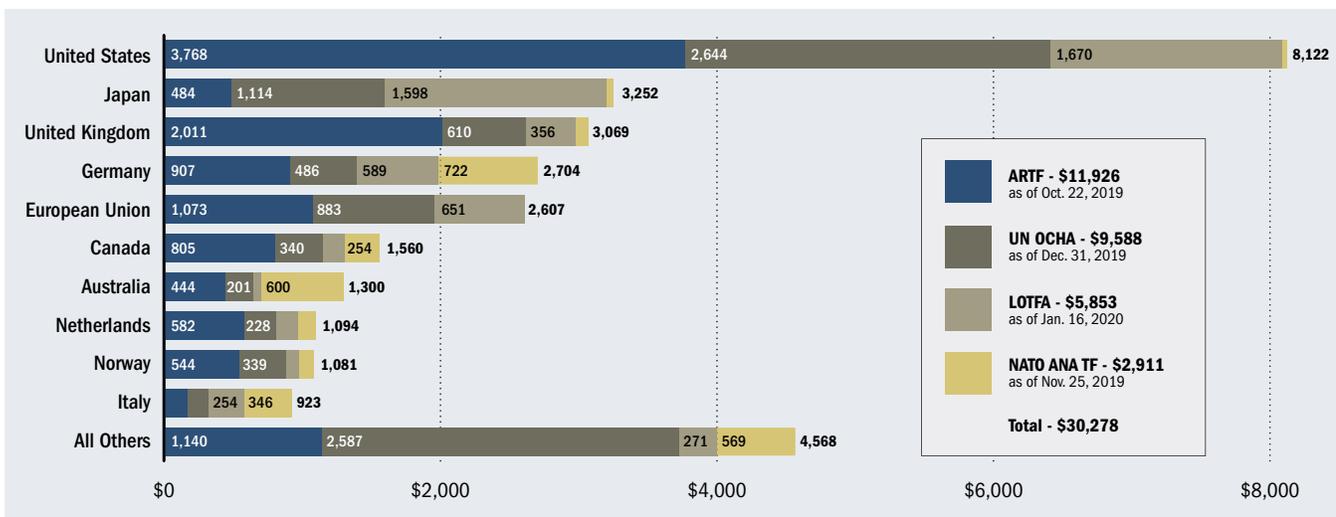
The international community provides significant funding to support Afghanistan relief and reconstruction efforts. A large share of the international funding is administered through multilateral trust funds. The four main multilateral trust funds are the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), the United Nations Development Programme (UNDP)-managed Law and Order Trust Fund for Afghanistan (LOTFA), the NATO-managed Afghan National Army (ANA) Trust Fund (NATO ANA Trust Fund or NATF), and the Asian Development Bank-administered Afghanistan Infrastructure Trust Fund (AITF). The UN's Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multiyear humanitarian response plans for Afghanistan, and provides timely reporting of humanitarian assistance provided by donors to facilitate funding of targeted needs.

Contributions to the Afghanistan Reconstruction Trust Fund

The largest share of international contributions to the Afghan government's operational and development budgets comes through the ARTF. From 2002 to October 22, 2019, the World Bank reported that 34 donors had paid in nearly \$11.93 billion.⁸⁰ Figure 3.26 shows the four largest donors over this

FIGURE 3.26

CUMULATIVE CONTRIBUTIONS TO ARTF, UN OCHA-COORDINATED PROGRAMS, LOTFA, AND NATO ANA TRUST FUND SINCE 2002 BY 10 LARGEST DONORS (\$ MILLIONS)



Note: Amounts under \$200 million are not labeled. The chart does not include the Asian Development Bank-managed Afghanistan Infrastructure Trust Fund (AITF), which had received contributions of \$589 million from the NATO ANA Trust Fund, Germany, Japan, the United Kingdom, and the United States, and disbursed \$278 million to projects as of June 30, 2019.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of October 22, 2019 (end of 10th month of FY 1398) at www.artf.af, accessed 1/9/2020; UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 12/31/2019; UNDP, LOTFA Receipts 2002–2019 and LOTFA MPTF Receipts 2002–2019, updated through 1/16/2020, in response to SIGAR data call 1/16/2020; NATO, Afghan National Army (ANA) Trust Fund, Status of Contributions Made as of 25 November 2019, at www.nato.int, accessed 1/7/2020; ADB, AITF Quarterly Report April–June 2019, in response to SIGAR data call 10/27/2019.

STATUS OF FUNDS

period as the United States, the UK, the European Union, and Germany. Figure 3.27 shows that these four donors are also expected to be largest donors to the ARTF for Afghan FY 1398 (December 22, 2018–December 21, 2019), as measured by paid-in and indicated contributions. The ARTF expects to receive contributions of \$779.60 million in Afghan FY 1398, marking a decline from the \$1.02 billion it received in Afghan FY 1397, when it recorded the second-highest annual amount of contributions received by the fund in its 17-year history.

Contributions to the ARTF are divided into two funding channels, the Recurrent Cost (RC) Window and the Investment Window.⁸¹ As of October 22, 2019, according to the World Bank, nearly \$5.06 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as civil servants' salaries.⁸²

The Investment Window supports development programs. As of October 22, 2019, according to the World Bank, nearly \$5.59 billion had been committed through the Investment Window, and \$4.77 billion had been disbursed. The Bank reported 34 active projects with a combined commitment value of nearly \$2.54 billion, of which more than \$1.72 billion had been disbursed.⁸³

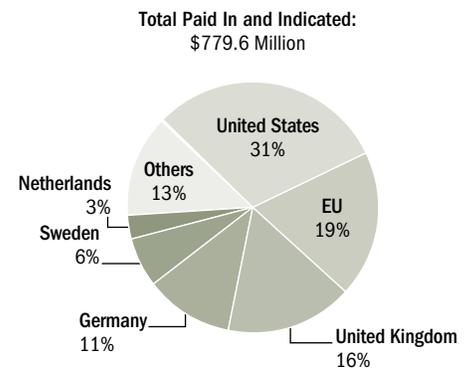
Contributions to UN OCHA-Coordinated Humanitarian Assistance Programs

The UN's Office for the Coordination of Humanitarian Affairs (OCHA) leads emergency appeals and annual or multiyear humanitarian response plans for Afghanistan, and provides timely reporting of humanitarian assistance provided by donors to facilitate funding of targeted needs. Donors have contributed nearly \$9.59 billion to humanitarian assistance organizations from 2002 through December 31, 2019, as reported by OCHA. OCHA-led annual humanitarian response plans and emergency appeals for Afghanistan accounted for nearly \$6.28 billion, or 67.4%, of these contributions.

The United States, Japan, and the European Union have been the largest contributors to humanitarian assistance organizations in Afghanistan since 2002, as shown in Figure 3.26. The United States, United Kingdom, and the European Union were the largest contributors in 2019, when the international community contributed \$581.60 million to these organizations, as shown in Figure 3.28. The World Food Programme (UN WFP), the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross, the UN Children's Fund (UNICEF), and the UN Mine Action Service (UNMAS) have been the largest recipients of humanitarian assistance in Afghanistan, as shown in Table 3.5 on the following page.⁸⁴

FIGURE 3.27

ARTF CONTRIBUTIONS BY DONOR, AFGHAN FY 1398 (PERCENT)

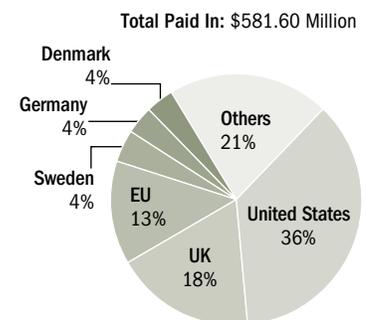


Note: Percentages may not add to 100% due to rounding. "Others" includes 11 donors. Donors had paid in \$549.08 million and indicated \$230.52 million for their FY 1398 contributions as of the report date.

Source: World Bank, ARTF: Administrator's Report on Financial Status as of October 22, 2019 (end of 10th month of FY 1398) at www.artf.af, accessed 1/9/2020.

FIGURE 3.28

UN OCHA-COORDINATED CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2019 (PERCENT)



Note: Percentages may not add to 100% due to rounding. "Others" includes 19 national governments and 10 other entities.

Source: UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 12/31/2019.

STATUS OF FUNDS

TABLE 3.5

LARGEST RECIPIENTS OF HUMANITARIAN ASSISTANCE FOR AFGHANISTAN UN OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (OCHA) CUMULATIVE RECEIPTS, 2002 TO DECEMBER 31, 2019 (\$ MILLIONS)	
Largest Recipients	Receipts
United Nations Organizations	
World Food Programme (WFP)	\$2,984.34
United Nations High Commissioner for Refugees (UNHCR)	1,193.60
United Nations Children's Fund (UNICEF)	481.67
United Nations Mine Action Service (UNMAS)	330.75
International Organization for Migration (UN IOM)	258.92
Food and Agricultural Organization (UN FAO)	206.94
Office for the Coordination of Humanitarian Affairs (UN OCHA)	139.79
World Health Organization (WHO)	109.04
Nongovernmental Organizations	
International Committee of the Red Cross	719.02
Norwegian Refugee Council	177.53
HALO Trust	112.17
Save the Children	101.58
All Other and Unallocated	2,772.20
Total Humanitarian Assistance Reported by OCHA	\$9,587.55

Source: UN OCHA, Financial Tracking Service at <https://fts.unocha.org>, accessed 12/31/2019.

Contributions to the Law and Order Trust Fund for Afghanistan

The UNDP had historically administered the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior (MOI).⁸⁵ Since 2015, UNDP had divided LOTFA support between two projects: the Support to Payroll Management (SPM) project, and the MOI and Police Development (MPD) project. The SPM project has aimed to develop the capacity of the Afghan government to independently manage all nonfiduciary aspects of its payroll function for the ANP and Central Prisons Directorate (CPD) staff. Almost 99% of SPM project funding goes toward ANP and CPD staff remuneration. The MPD project focused on institutional development of the MOI and police professionalization of the ANP. The project was concluded on June 30, 2018.

STATUS OF FUNDS

The LOTFA Steering Committee, composed of Afghan ministries, international donors, and the UNDP, approved restructuring the fund and changing its scope of operations on November 25, 2018. The organization has expanded its mission beyond the management of the SPM project to include the entire justice chain (police, courts, and corrections), and thereby cover all security and justice institutions, with an increased focus on anticorruption. A new multilateral trust fund, the LOTFA Multi-Partner Trust Fund (MPTF), was launched to fund this expanded mission, and donations of more than \$137.40 million have been received from nine donors, led by the United Kingdom, Canada, and Denmark (and without financial participation from the United States).⁸⁶

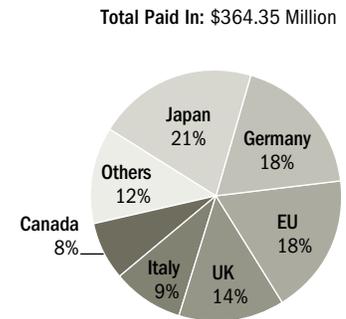
Donors have paid in more than \$5.85 billion to the two LOTFA funds from 2002 through January 16, 2020. Figure 3.26 shows the fund's two largest donors on a cumulative basis have been the United States and Japan. Figure 3.29 shows the largest donors to the LOTFA in 2019. The United States has significantly reduced its contributions to LOTFA after donating \$114.40 million in 2016, thereafter contributing \$26.71 million in 2017, \$1.04 million in 2018, and \$0.95 million in 2019.⁸⁷

Contributions to the NATO ANA Trust Fund

The NATO ANA Trust Fund supports the Afghan National Army and other elements of the Afghan National Defense and Security Forces through procurement by the Afghanistan Security Forces Fund (ASFF) and the NATO Support and Procurement Agency (NSPA).⁸⁸ The Fund has received contributions from 23 NATO members, including the United States, and from 12 other Coalition partners totaling more than \$2.91 billion through November 25, 2019.⁸⁹ Figure 3.26 shows Germany, Australia, and Italy as the three largest contributors to the fund. The United States made its first contribution in FY 2018 to support two projects under an existing procurement contract.⁹⁰

FIGURE 3.29

LOTFA CONTRIBUTIONS BY DONOR, CALENDAR YEAR 2019 (PERCENT)



Note: Numbers have been rounded. "Others" includes the United States, nine other countries and the UNDP that made contributions to the two LOTFA funds.

Source: UNDP, LOTFA Receipts 2002–2019 and LOTFA MPTF Receipts 2002–2019, updated 1/16/2020, in response to SIGAR data call, 1/16/2020.

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SECURITY

KEY ISSUES & EVENTS

Enemy-initiated attacks from October–December 2019 were at the highest level for the fourth quarter of any year since data collection began in 2010.

Afghan special forces conducted fewer ground operations in the fourth quarter, lower than any other quarter in 2019, and only 31% of their operations were conducted without U.S. or Coalition assistance.

DOD reports that ANDSF casualties during May–October 2019 slightly increased compared to the same period in 2018.

Despite heightened enemy attacks, the number of civilian casualties this quarter decreased by 20% compared to the same period in 2018.

The Afghan war is still in “a state of strategic stalemate” that can be solved only through a negotiated settlement between the Afghan government and the Taliban, Secretary of Defense Mark T. Esper said this quarter.⁹¹ After a cessation of direct peace talks in September, President Donald J. Trump announced that he restarted the dialogue between the United States and the Taliban in late November.⁹²

A January 22 White House statement said that President Trump’s goal is for the Taliban to demonstrate “a significant and lasting reduction in violence . . . that would facilitate meaningful negotiations on Afghanistan’s future.”⁹³ However, the Afghan government appeared to reject the concept of a reduction in violence, saying it does not have an accurate meaning in legal and military terms, and is not practical. Afghan officials are currently demanding a cease-fire, like the one that took place in June 2018, before beginning peace negotiations with the Taliban.⁹⁴ As this report went to press, no cease-fire or agreement about a reduction in violence had been announced.⁹⁵ Meanwhile, Taliban attacks continued at a high tempo. According to data provided by the NATO Resolute Support (RS) mission, enemy-initiated attacks during the fourth quarter of 2019 were at

“If the Taliban do not agree to a cease-fire, which is the demand of the Afghan people, we cannot put an end to war in Afghanistan.”

—*Sediq Sediqqi, spokesperson for President Ashraf Ghani*

Source: Voice of America, “Afghan Government Demands Full Cease-Fire, Taliban Commit to Reduction in Violence,” 1/22/2020.

FIGURE 3.30



Note: Fatalities are estimates and only include the number of the opposing party (or civilians when indicated) killed.

Source: ACLED, South Asia 2016–Present dataset, 10/19/2019–1/11/2020, available online at <https://www.acledata.com/>; SIGAR, analysis of ACLED data, 1/2020; New York Times, “At Least 23 Soldiers Killed in Insider Attack in Afghanistan,” 12/14/2019.

“We are committed to peace talks, but we as Afghanistan’s armed forces will not allow any deal to sacrifice our two-decade achievements.”

—*Asadullah Khalid,*
Acting Afghan Minister of Defense

Source: ToloNews, “Khalid: We Want Peace, Not Compromise,” 1/13/2019.

the highest level for a fourth quarter of any year since recording began in 2010.⁹⁶ Conversely, the Afghan Special Security Forces (ASSF), the primary offensive force against the insurgency, conducted fewer ground operations this quarter than during the rest of 2019.⁹⁷

Enemy attacks included a Taliban car bomb at the U.S. military base at Bagram on December 11 that killed two civilians and injured more than 73 people. The Taliban also claimed an attack in Kunduz Province on December 23 that killed a U.S. Special Forces soldier, the 23rd American death in Afghanistan in 2019. More American servicemembers died in Afghanistan in 2019 than in any year since the beginning of the RS mission in January 2015.⁹⁸ Two more U.S. soldiers were killed January 11 by a roadside bomb in Kandahar Province.⁹⁹ Figure 3.30 lists other major security incidents this quarter.

The Taliban continued to seek the withdrawal of U.S. forces from Afghanistan, a process National Security Advisor Robert O’Brien said could begin “with a deal or without a deal” with the insurgents. While President Trump has not yet ordered a force reduction, Secretary Esper said the United States could reduce troop levels to as low as 8,600 and still be able to execute its unilateral counterterrorism mission and its role in the multi-national RS mission to train, advise, and assist the Afghan National Defense and Security Forces (ANDSF).¹⁰⁰

The U.S. Combined Security Transition Command-Afghanistan (CSTC-A) reported that ANDSF strength numbers increased after more than a year of consistent decreases, as Coalition and Afghan counterparts worked to more accurately determine the actual size of the force. As of October 31, 2019, there were 272,807 ANDSF personnel biometrically enrolled and eligible for pay in the Afghan Personnel and Pay System (APPS). This is an increase of 7% (18,957 personnel) since last quarter, which CSTC-A attributed to continued enrollment and personnel cleansing actions in APPS. CSTC-A said fluctuations will continue “until the backlog of personnel actions level off and APPS reaches 100% enrollment of the ANDSF.”¹⁰¹ CSTC-A provided the caveat that “As a result of ongoing efforts to add, verify, correct, and cleanse ANDSF personnel data in APPS, quarter-to-quarter changes in ANDSF assigned strength do not solely reflect changes to the number of personnel actually serving in the ANDSF.”¹⁰²

ANDSF Data Classified or Not Publicly Releasable

USFOR-A continued to classify or otherwise restrict from public release the following types of data, due to Afghan government classification guidelines or other restrictions (mostly since October 2017):¹⁰³

- ANDSF casualties, by force element and total
- unit-level Afghan National Army (ANA) and Afghan National Police (ANP) authorized and assigned strength
- ANDSF performance assessments

- some Special Mission Wing (SMW) information, including the number and type of airframes in the SMW inventory, the number of pilots and aircrew, and the operational readiness (and associated benchmarks) of SMW airframes
- information about the misuse of Afghan Special Security Forces (ASSF) by the Ministry of Defense (MOD) and Ministry of Interior (MOI)

The classified annex for this report includes the information USFOR-A classified or restricted from public release.

U.S. Reconstruction Funding for Security

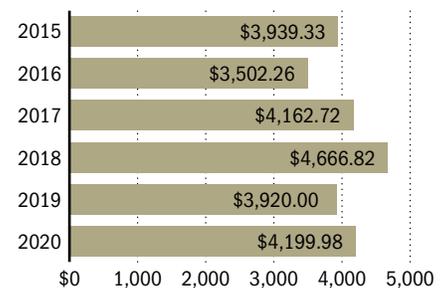
As of December 31, 2019, the U.S. Congress had appropriated nearly \$86.4 billion to help the Afghan government provide security in Afghanistan. This accounts for 63% of all U.S. reconstruction funding for Afghanistan since fiscal year (FY) 2002. Of the nearly \$3.9 billion appropriated for the Afghanistan Security Forces Fund (ASFF) in FY 2019, nearly \$2.3 billion had been obligated and nearly \$2 billion disbursed, as of December 31, 2019. As of December 20, 2019, Congress appropriated roughly \$4.2 billion for the ASFF for FY 2020. Seen in Figure 3.31, ASFF appropriations have fluctuated between \$3.5 billion and \$4.7 billion since the beginning of the RS mission.¹⁰⁴

Congress established the ASFF in 2005 to build, equip, train, and sustain the ANDSF, which comprises all forces under the MOD and MOI. A significant portion of ASFF money is used for Afghan Air Force (AAF) aircraft maintenance, and for ANA, AAF, ASSF, and Afghan Local Police (ALP) salaries. The ALP falls under the authority of the MOI, but is not included in the authorized ANDSF force level that donor nations have agreed to fund; only the United States and Afghanistan fund the ALP. The rest of ASFF is used for fuel, ammunition, vehicle, facility and equipment maintenance, and various communications and intelligence infrastructure. Detailed ASFF budget breakdowns are presented in Tables 3.3 and 3.4 on pages 50–51.¹⁰⁵

ASFF monies are obligated by either CSTC-A or the Defense Security Cooperation Agency. Funds that CSTC-A provides to the Afghan government to manage (on-budget) are provided directly to the Ministry of Finance. The Ministry of Finance then transfers those funds to the MOD and MOI based on submitted funding requests.¹⁰⁶ In contrast to the ANA, a significant share of ANP personnel costs is paid by international donors through the United Nations Development Programme’s multidonor Law and Order Trust Fund for Afghanistan (LOTFA). The United States had been, but is no longer, the largest contributor to LOTFA.¹⁰⁷ A discussion of on-budget (Afghan-managed) expenditures of ASFF and conditions associated with U.S. financial assistance to the ANDSF is found on pages 105–108.

FIGURE 3.31

ASFF APPROPRIATIONS FY 2015–FY 2020
(\$ MILLIONS)



Source: See Appendix B.

The ASFF FY 2019 budget reduction had three major components:

- The ANA, AAF, and ASSF Personnel budgets (salaries, incentives, etc.) were reduced by \$241.68 million.
- AAF Aircraft Contracted Support (aircraft maintenance) was reduced by \$202.52 million.
- AAF UH-60 helicopter procurement was eliminated through a \$396.00 million rescission.

Security-Incident Data

Every quarter, SIGAR tracks and analyzes security-incident data to provide insight into the security situation in Afghanistan and activity between the parties to the conflict. The data show trends including where security-related activity is concentrated in the country and its levels over certain periods of time.

RS-reported enemy-initiated attack data is the only remaining unclassified data from an official source used to track security trends in Afghanistan. It is unclassified only at the provincial level and does not include U.S. and Coalition-initiated attacks on the enemy.

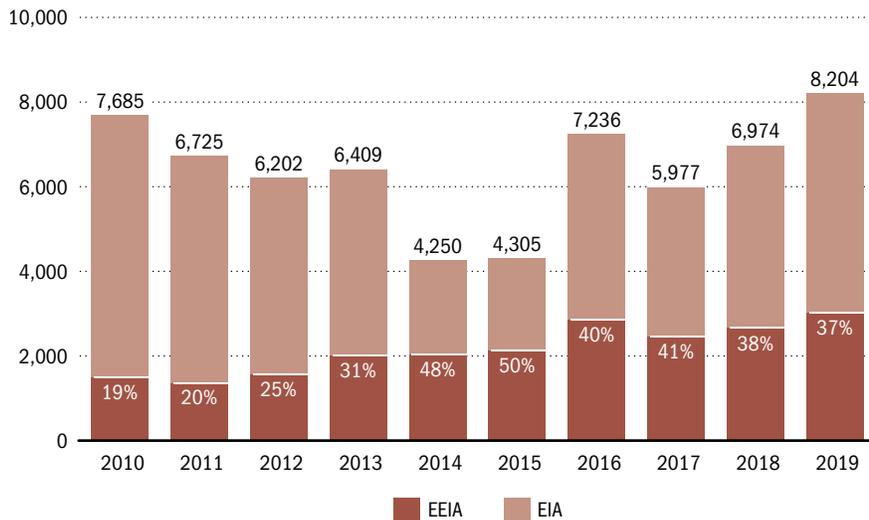
Enemy-initiated attacks: are “all attacks (direct fire, indirect fire, surface-to-air fire, IED, and mine explosions, etc.) initiated by insurgents that the ANDSF and RS consider to be [significant activities] (SIGACTs).”

Effective enemy-initiated attacks: are enemy-initiated attacks that result in ANDSF, Coalition, or civilian casualties.

Source: CSTC-A: response to SIGAR vetting, 4/12/2019.

FIGURE 3.32

FOURTH-QUARTER ENEMY-INITIATED ATTACKS SINCE 2010



Note: EIA = Enemy-Initiated Attacks, EEIA = Effective Enemy-Initiated Attacks.

Source: RS, response to SIGAR data call 1/7/2020; SIGAR, analysis of RS-provided data, 1/2020.

Enemy Attacks in Late 2019 Reach Record-High Levels

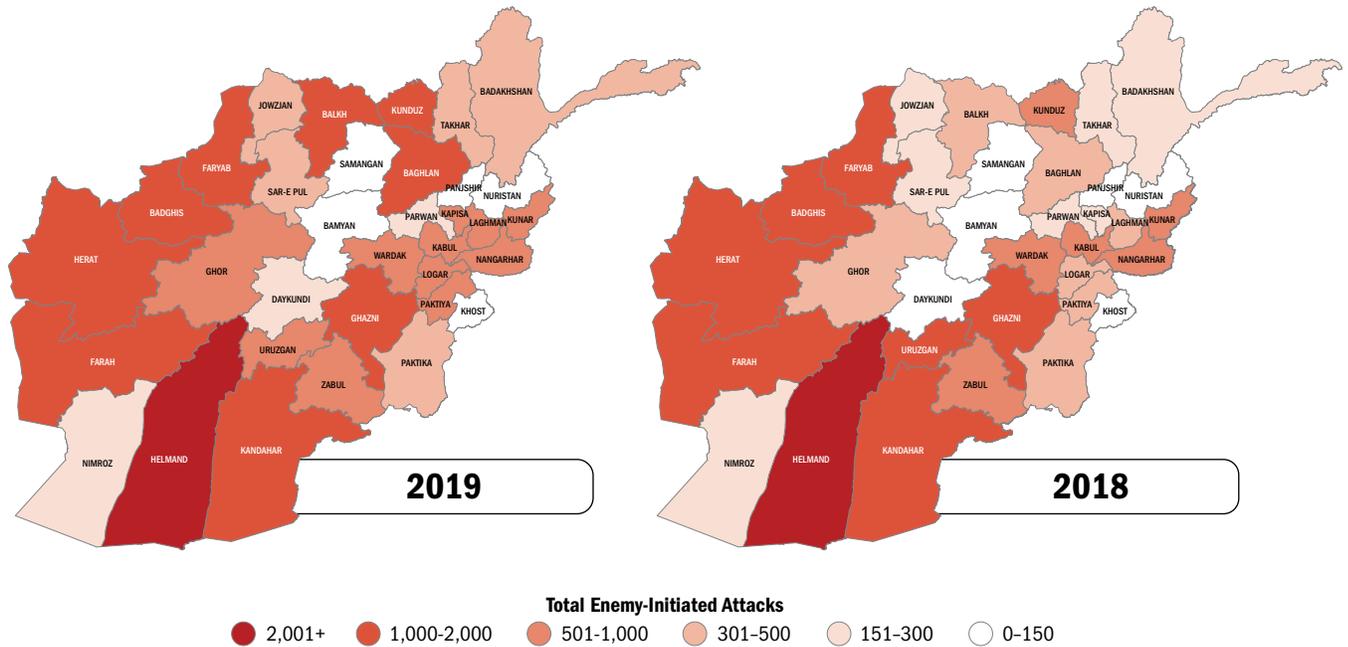
Enemy attacks in Afghanistan increased considerably in late 2019, according to data from RS. September 2019, the month of the Afghan presidential election, saw the highest number of **enemy-initiated attacks** in any month since June 2012 and the highest number of **effective enemy-initiated attacks** since recording began in January 2010. This level of violence continued after the presidential election. October 2019 had the second highest number of enemy-initiated attacks in any month since July 2013.¹⁰⁸ Figure 3.32 shows that both overall enemy-initiated attacks and effective enemy-initiated attacks during the fourth quarter of 2019 exceeded same-period levels in every year since recording began in 2010. However, the figure also shows that while the number of overall and effective attacks increased this quarter, the proportion of overall attacks that were effective was similar to the same period in 2018.¹⁰⁹

When looking at 2019 as a whole, enemy attacks appeared to decline early in the year while peace talks were ongoing. But a turbulent last six months resulted in increases in overall enemy attacks (6%) and effective attacks (4%) in 2019 compared to the already high levels reported in 2018.¹¹⁰

The geographic distribution of enemy activity remained largely consistent from 2018 to 2019. Figure 3.33 shows that in 2019 heavy fighting continued in southern and western Afghanistan. However, enemy activity increased and spread into larger areas of the north and east.¹¹¹

FIGURE 3.33

ENEMY-INITIATED ATTACKS IN 2019 VERSUS 2018



Note: The total number of enemy-initiated attacks in 2019 was 29,083; the total for 2018 was 27,417.
 Source: RS, response to SIGAR data call, 1/7/2020; SIGAR analysis of RS-provided data, 1/2020.

Islamic State Fighters Successfully Driven from Nangarhar Stronghold

SIGAR asked USFOR-A about news reports that hundreds of fighters from Islamic State-Khorasan (IS-K), the Islamic State affiliate in Afghanistan, surrendered to the ANDSF and Coalition forces in November 2019. USFOR-A confirmed about 300 IS-K fighters and 1,000 of their family members surrendered this quarter.

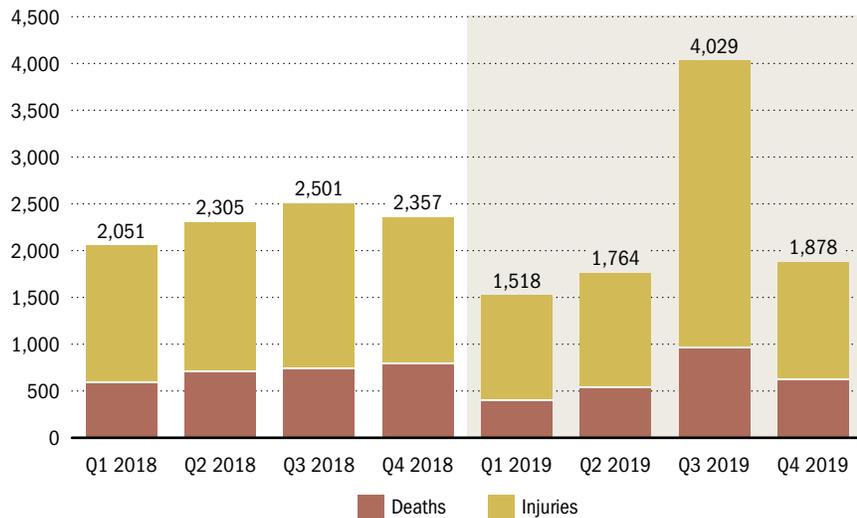
USFOR-A said due to sustained pressure from U.S. air strikes, ANDSF operations across Nangarhar Province, and continued fighting between IS-K and Taliban forces, IS-K's stronghold in Nangarhar has been "dismantled." The fighters and family members who did not surrender have fled toward Kunar Province or Pakistan, attempting to consolidate and reinforce positions in more advantageous terrain.

USFOR-A's latest assessment is that there are between 2,000 and 2,500 IS-K fighters active in Afghanistan, a decrease from the 2,000-5,000 reported in September 2019.

Source: Stars and Stripes, "Islamic State's 'Backbone was Broken' in Afghanistan as Hundreds Surrender," 11/19/2019; USFOR-A, response to SIGAR vetting, 1/18/2020; DOD OIG, Operation Freedom's Sentinel, Lead Inspector General's Report to the United States Congress, 11/15/2019, pp. 18-19; USFOR-A, correspondence with SIGAR, 1/25/2020.

FIGURE 3.34

RS-REPORTED CIVILIAN CASUALTIES BY QUARTER



Source: RS, response to SIGAR data call 1/7/2020; SIGAR, analysis of RS-provided data, 1/2020.

RS Collection Methodology

According to DOD, the RS Civilian Casualty Management Team relies primarily upon operational reporting from RS's Train, Advise, and Assist Commands (TAACs), other Coalition force headquarters, and ANDSF reports from the Afghan Presidential Information Command Centre to collect civilian-casualty data. DOD says that RS's civilian-casualty data collection differs from UNAMA's in that RS "has access to a wider range of forensic data than such civilian organizations, including full-motion video, operational summaries, aircraft mission reports, intelligence reports, digital and other imagery ... and other sources."

Source: DOD, *Enhancing Security and Stability in Afghanistan*, 12/2017, p. 27 and 6/2019, p. 27.

Civilian Casualties Decline in Late 2019

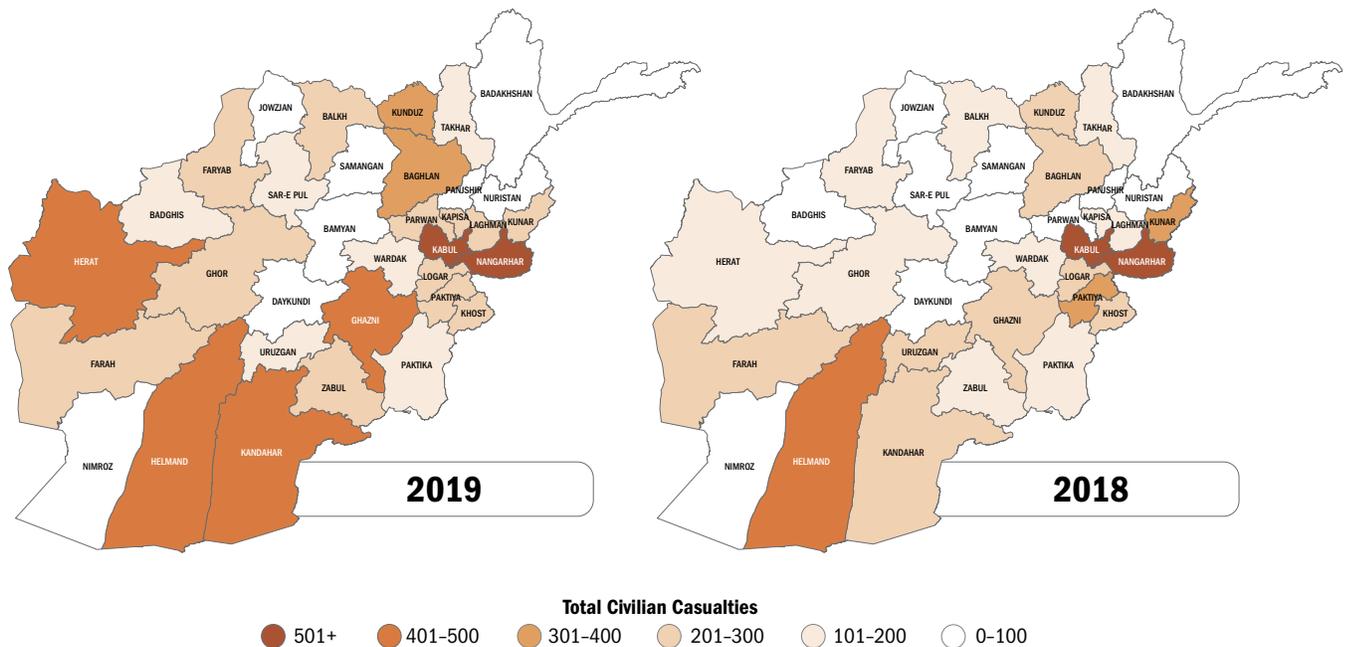
RS reported a 20% decrease in the number of civilian casualties in Afghanistan this quarter (October 1–December 31, 2019) compared to the same period in 2018, despite increased levels of enemy-initiated violence over the same period. Seen in Figure 3.34, after spiking last quarter, the total number of civilian casualties in 2019 (9,189) was about the same as in 2018 (9,214).¹¹² However, Figure 3.35 shows that civilian casualties rose in most provinces (19 of 34) in 2019 compared to 2018, and the provinces where they occurred shifted. In both years, Kabul and Nangarhar Provinces continued to experience the highest number of civilian casualties.¹¹³

RS attributed 91% of this quarter's civilian casualties to antigovernment forces, including the Taliban (29%), IS-K (11%), Haqqani Network (4%), and unknown insurgents (47%). Another 4% were attributed to progovernment forces (3% to ANDSF and 1% to Coalition forces), and 5% to other or unknown forces. These percentages were similar to the RS attributions for casualties earlier in 2019. The main causes of civilian casualties continued to be improvised-explosive devices (43%), followed by direct fire (25%), and indirect fire (5%), as was also the case earlier in the year.¹¹⁴

SIGAR typically analyzes Afghan civilian-casualty data from RS and United Nations Assistance Mission in Afghanistan (UNAMA), but UNAMA did not issue a report within this reporting period. For the latest available UNAMA data and analysis (as of September 30, 2019), see pages 73–74 of SIGAR's October 2019 *Quarterly Report to the United States Congress*.

FIGURE 3.35

RS-REPORTED CIVILIAN CASUALTIES IN 2019 VERSUS 2018



Note: Casualties include deaths and injuries. There were 9,189 civilian casualties in 2019 and 9,214 in 2018.

Source: RS, response to SIGAR data call, 1/7/2020; SIGAR analysis of RS-provided data, 1/2020.

Human Rights Abuses Alleged Against U.S.-Backed Afghan Paramilitary Units

This quarter, Human Rights Watch (HRW) issued a special report alleging 14 cases of “laws-of-war violations” against Afghan civilians by U.S.-backed Afghan special paramilitary units from late-2017 to mid-2019. HRW said these violations included “extrajudicial executions and enforced disappearances, indiscriminate airstrikes, [and] attacks on medical facilities.”

According to HRW, Afghan paramilitary forces operate with relative impunity in the country: they nominally belong to the National Directorate of Security (NDS), Afghanistan’s primary intelligence agency. However, these forces do not fall under any ordinary chain of command under the NDS or the Afghan or U.S. military. HRW says the units are largely recruited, trained, equipped, and overseen by the CIA, and often U.S. Special Forces personnel (seconded to the CIA) are deployed alongside them during kill-or-capture operations.

After 2017, in a departure from previous policy, the Afghan paramilitary units were authorized to call in air strikes without U.S. forces present to identify the targets, resulting in increased destruction to residential

buildings, HRW said. A decreased U.S. ground presence and a reliance on local Afghan intelligence sources meant there was less information available about the possible presence of civilians during the strikes. The cases that HRW investigated involved Afghan paramilitary forces seemingly targeting civilians because of mistaken identity, poor intelligence, or political rivalries.

HRW made recommendations to both the Afghan and U.S. governments to address this issue. The primary recommendation for the Afghan government was to “immediately disband and disarm all pro-government armed groups . . . including [NDS] strike force units, the Khost Protection Force, and other counterinsurgency forces that are not under the [ANDSF] chain of command.” HRW recommended that the U.S. government “clarify command responsibility for operations” by Afghan paramilitary forces, and “in all circumstances, comply with international humanitarian law standards to protect civilians from the dangers arising from military operations.”

Source: Human Rights Watch, “They’ve Shot Many Like This’ Abusive Night Raids by CIA-Backed Afghan Strike Forces,” 10/31/2019.

“A small number [of U.S. troops] is required [in Afghanistan] in order to deal with the threat of terrorism and to support us because it’s an advise, assist, and training mission—not a fighting mission.”

—President Ashraf Ghani

Source: Washington Post, “Afghanistan’s President on Holding ‘the Most Difficult Job on Earth,’” 1/23/2020.

UNITED STATES FORCES-AFGHANISTAN

U.S. Force Level Slowly Declines

According to DOD, as of December 7, 2019, there are between 12,000 and 13,000 U.S. military personnel in Afghanistan, a decrease from the 14,000 personnel reported in-country earlier this year. Over the last year, U.S. Forces-Afghanistan (USFOR-A) Commander General Austin Scott Miller said he began adjusting the number of personnel in Afghanistan as part an effort to “optimize” the size of the force based on their objectives and capabilities, and risks to the force and to the mission.¹¹⁵

Secretary of Defense Esper said on December 16 that the United States could reduce its troop level to as low as 8,600 personnel “with or without” a peace settlement between the Afghan government and the Taliban because General Miller believes it would be an adequate force to undertake both the unilateral counterterrorism mission and the NATO RS mission to train, advise, and assist the ANDSF.¹¹⁶ Of the total U.S. personnel serving in Afghanistan, 8,475 were assigned to the RS mission, as of November 2019, while the rest were serving in support roles, training the Afghan special forces, or conducting air and counterterror operations.¹¹⁷

U.S. and Coalition Forces Casualties and Insider Attacks Increase

This quarter (October 17, 2019–January 17, 2020), there were five American military deaths in Afghanistan (two hostile and three non-hostile deaths), and 73 servicemembers were injured. American military casualties in 2019 (23 deaths and 192 injuries) were the highest they have been since the RS mission began in January 2015.¹¹⁸ The hostile deaths this quarter were two American soldiers killed January 11 by a roadside bomb in Kandahar Province.¹¹⁹ These casualties bring the total number of military deaths since October 2001 to 2,433 (1,907 hostile and 526 non-hostile), and injuries to 20,711.¹²⁰

According to RS, there were four insider attacks, in which ANDSF personnel attack U.S. and Coalition personnel, this reporting period (September 1–December 31, 2019). One of the attacks resulted in four injuries. These insider attacks bring the total for 2019 to seven that have resulted in eight casualties. This represents more attacks, but fewer casualties, than in 2018 and 2017.¹²¹

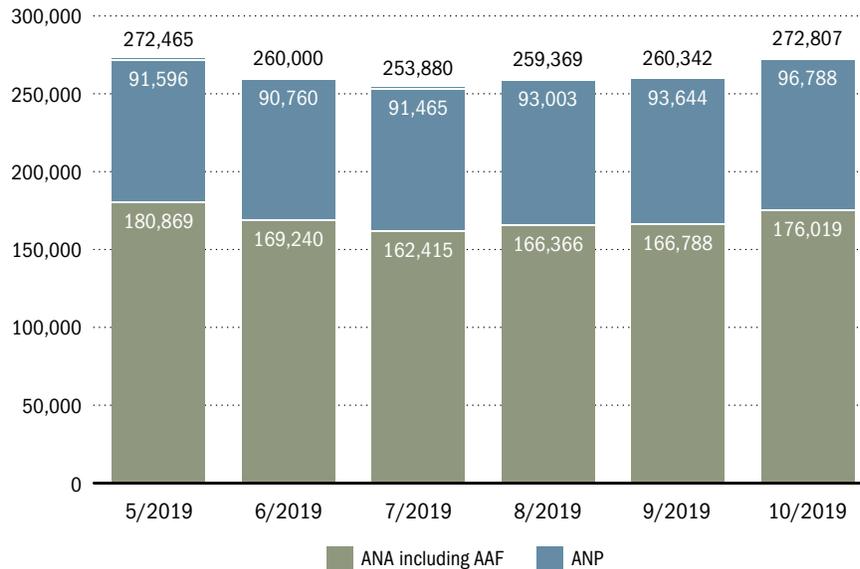
AFGHAN NATIONAL DEFENSE AND SECURITY FORCES

Reported ANDSF Force Strength Increased This Quarter

Reported ANDSF personnel strength increased by 7% since last quarter, after over a year of consistent decreases as Coalition and Afghan

FIGURE 3.36

REPORTED ANDSF ASSIGNED STRENGTH FROM APPS



Note: This quarter's data is as of October 31, 2019. The "as of" date of the data is between the 25th and 31st of the indicated month. APPS = Afghan Personnel and Pay System; ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included in the strength numbers.

Source: CSTC-A response to SIGAR data call, 12/19/2019 and 9/18/2019; SIGAR, analysis of CSTC-A-provided data, 1/2020.

counterparts worked to more accurately determine the actual size of the force. As of October 31, 2019, CSTC-A reported 272,807 ANDSF personnel (176,019 MOD and 96,788 MOI) biometrically enrolled and eligible for pay in APPS, the new Afghan personnel and payroll management system. This does not include civilians or roughly 19,000 Afghan Local Police (ALP). Figure 3.36 shows this is an increase of 18,957 personnel since last quarter's APPS-reported strength (July 2019), mainly driven by 13,604 more personnel reported in the MOD elements (Afghan National Army, Afghan Air Force, and MOD special forces).¹²²

According to CSTC-A, this quarter's strength numbers increased due to ongoing enrollment and personnel cleansing actions in APPS. CSTC-A said fluctuations will continue "until the backlog of personnel actions level off and APPS reaches 100% enrollment of the ANDSF."¹²³ CSTC-A provided the caveat that "As a result of ongoing efforts to add, verify, correct, and cleanse ANDSF personnel data in APPS, quarter-to-quarter changes in ANDSF assigned strength do not solely reflect changes to the number of personnel actually serving in the ANDSF."¹²⁴ CSTC-A continues to say "the number of personnel reported in APPS is the most accurate it has ever been."¹²⁵

SIGAR Visits CSTC-A to Discuss Impact of Reported ANDSF Strength Changes

A team from SIGAR's Research and Analysis Directorate (RAD) traveled to Kabul from December 1 to 12, 2019, to learn more about the funding and operational implications of the fact that under the new Afghan Personnel Pay System (APPS), the ANDSF is reporting considerably fewer personnel than were reported using the previous manual reporting system, and even fewer personnel compared to the forces' 352,000 authorized strength.

In meetings, CSTC-A said basing salary and incentive payments on the lower APPS-reported strength numbers will result in \$79 million in future cost avoidance due to the removal of about 50,000 inactive personnel records in APPS that the ANDSF previously reported as active. CSTC-A believes it is "impossible to predict" cost savings as a result of APPS implementation. As the ANDSF's use of APPS improves, force numbers continue to fluctuate in the system due to gains and losses. However, they said as the data levels out, historical data will be more reliable for planning and comparison purposes. CSTC-A did acknowledge that inflated personnel numbers in the past may have led to waste, but argued that the total impact through the years would be difficult to quantify.

SIGAR also asked CSTC-A whether the lower APPS-reported personnel strength had allowed DOD to avoid costs for ANDSF equipment. CSTC-A said APPS would not lead to large savings on equipment and materiel because purchases of equipment, systems, and supplies for the ANDSF are based off of equipment authorizations rather than assigned end-strength numbers.

CSTC-A explained that APPS has been a contributing factor in helping to determine whether certain ANDSF leaders and personnel are "reliable partners" based on who implements and uses the system to deter fraud and improve accountability. CSTC-A said verifying personnel numbers in APPS as the system matures will be a "vital tool for force planning, recruitment, and retirement and promotion planning" and can help inform operational planning.

SIGAR will continue to work with CSTC-A to understand how these issues have affected and will affect the expenditure of U.S. taxpayer dollars.

Source: SIGAR, record of meetings with CSTC-A, 12/9/2019; CSTC-A, response to SIGAR vetting, 1/18/2020.



Members of SIGAR's Research and Analysis Directorate during their December 2019 trip to Kabul.

According to DOD, "APPS is a major shift in the ministries' traditional way of managing pay and personnel, and challenges are expected. APPS will take time to mature, but the current assigned-strength reporting from APPS represents another step towards improved accountability of personnel and is a reflection of continued efforts by the MOD and MOI to implement APPS."¹²⁶ More information about APPS and this quarter's data-cleansing efforts is available in the following section.

The ANDSF's total authorized strength continues to be roughly 352,000. The MOI's authorized force level includes an additional 30,000 ALP, which is funded only by the United States and the Afghan government. This quarter's ANDSF assigned strength stands at 77.5% (roughly 79,000 personnel short) of its authorized strength.¹²⁷

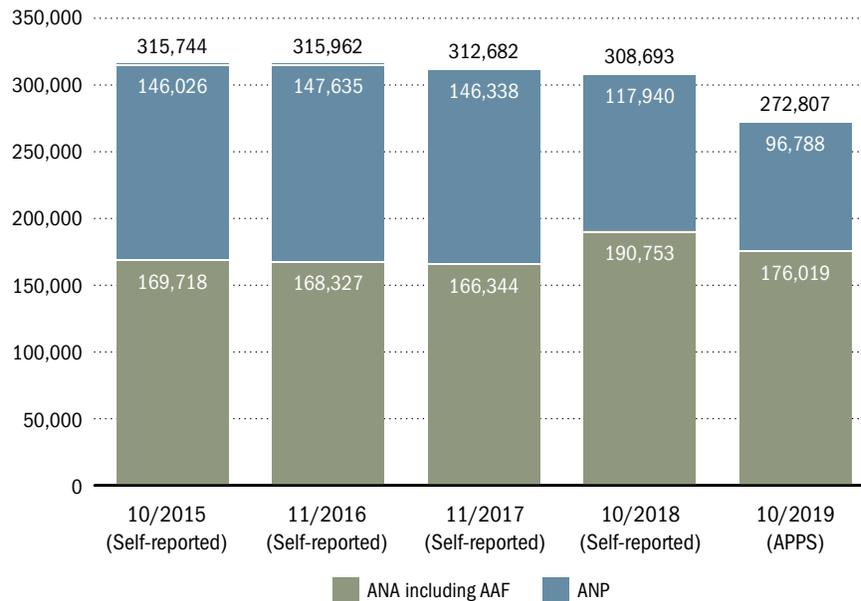
ANDSF Force Strength Lower Year-on-Year

Seen in Figure 3.37, ANDSF personnel strength numbers sourced from APPS remain lower than the Afghan self-reported strength data provided previously. This is significant because assigned-strength numbers help inform CSTC-A's decision-making on how much money to provide for ANDSF salary and incentive payments, as well as for certain equipment.¹²⁸

This quarter's reported strength in APPS is 12% lower (roughly 36,000 personnel) than the Afghan self-reported strength provided during the same period in 2018.¹²⁹ Despite this decrease, pages 80 and 87 explain that the funds CSTC-A provided for MOD and MOI salary and incentive payments

FIGURE 3.37

COMPARING ANDSF SELF-REPORTED AND APPS-REPORTED STRENGTH



Note: This quarter's data is as of October 31, 2019. ANA = Afghan National Army; AAF = Afghan Air Force; ANP = Afghan National Police; ANDSF = Afghan National Defense and Security Forces. No civilians are included in strength numbers. ANA strength numbers include the AAF and trainees, transfers, holdees, and student personnel. ANP strength numbers do not include "standby" personnel, generally reservists, or personnel not in service while completing training. The change in the individual strengths of the ANA and ANP from 2017 to 2018 is due to the transfer of two force elements from MOI to MOD in early 2018, but this change did not impact the overall strength of the ANDSF. The change in strength numbers from 2018 to 2019 is due to the transition of strength reporting from ANDSF-reported figures to reporting from the Afghan Personnel and Pay System (APPS). The strength numbers reported here should not be viewed as exact: CSTC-A and SIGAR have long noted many data-consistency issues with ANDSF strength numbers.

Source: CSTC-A response to SIGAR data call, 12/19/2019; SIGAR, Quarterly Report to the United States Congress, 1/30/2016, 1/30/2017, 1/30/2018, 1/30/2019; SIGAR, analysis of CSTC-A-provided data, 1/2020.

thus far in Afghan fiscal year 1398 (December 22, 2018, to November 1, 2019) stayed about the same compared to roughly the same period in the previous Afghan fiscal year.¹³⁰

MOI and MOD Make Some Progress Accounting for Personnel

MOI, MOD, and CSTC-A continue to undertake three efforts to improve the accuracy of ANDSF personnel data in APPS: (1) "slotting" or matching ANDSF personnel to authorized positions in the system, (2) "data cleansing" or correcting and completing key personnel data, and (3) physically accounting for personnel through site visits called personnel asset inventories (PAI) and personnel asset audits (PAA).¹³¹

This quarter, CSTC-A reported the MOI made some progress in correcting and cleansing existing, and inputting new personnel records at its APPS *shura*, or conference. The primary purposes of the *shura* were to: (1) make sure active personnel did not drop off the rolls due to not being slotted into positions in the system based on the new force-authorization document

(*tashkil*), and (2) establish validated MOI APPS-data baselines for strength that can assist future force planning.¹³² The shura began on July 27, and as of November 23, CSTC-A reported that MOI had processed 6,518 retirements; removed 138 records of personnel confirmed as killed-in-action, and completed 6,379 promotion processes. These are only preliminary results. The MOI was given an extension to complete its shura by December 15, which it did, but there are still personnel actions pending.¹³³ As a point of comparison, MOD's shura this summer resulted in a net decrease of over 18,000 reported personnel, due mainly to the removal of personnel from APPS who were no longer active due to attrition, whether killed in action (KIA), absent without leave (AWOL), dropped from rolls (DFR), or separation status or because they could not be confirmed to exist.¹³⁴ CSTC-A also reported that no efforts to physically account for personnel at duty locations (PAIs or PAAs) could be conducted this quarter.¹³⁵

For the second quarter, MOD generated its payroll data using APPS. CSTC-A said that on September 22, the Minister of Defense issued guidance ordering the ANA to conduct all administrative functions using the system. CSTC-A reported that MOD has greatly improved its utilization of APPS and its understanding of how to integrate APPS into its payroll process. Enough MOD personnel are now enrolled in APPS that MOD can shift priorities from personnel enrollment to using APPS to process payroll. However, as with any automated system or new process, CSTC-A says challenges remain, such as the ability to process payroll in every ANA corps in a timely manner, but CSTC-A continues to train and advise on these processes.¹³⁶ At this time, the MOI still does not use APPS for payroll (it still uses the UN-managed Web-Enabled Pay System), but CSTC-A continues to work with MOI and the UN to transition the MOI to using APPS for this purpose.¹³⁷

ANDSF Attrition – Some Data Classified

USFOR-A continued to classify most ANDSF attrition information this quarter because the Afghan government classifies it.¹³⁸ SIGAR's questions about ANDSF attrition can be found in Appendix E. A detailed analysis of attrition by ANDSF force element is provided in the classified annex of this report.

This quarter, CSTC-A provided some information about MOD and MOI's efforts to combat ANDSF attrition. CSTC-A said MOD's recruiting objectives are focused on aggressively reducing attrition numbers and meeting force-authorization requirements. The ANA Chief of General Staff provided guidance to all ANA commanders to reduce attrition DFR by 45–50%, and increase by 75% the recontracting of those separated from service. Reducing attrition and increasing recontracting will decrease the strain on recruiting and maintain combat readiness. It will also allow recruitment efforts to focus on enlisting better-qualified candidates into the ANA. The

ANA's recruiting command also increased efforts to reinforce the drug-testing requirement during in-processing of new recruits, which more efficiently filtered out drug users.¹³⁹

The MOI's recruiting objectives are focused on entry-level patrolmen and entry-level officers graduating from the Afghan National Police Academy. Other ANP vacancies are being filled by appointments. Recruiting efforts are primarily driven by force authorization requirements. As in any organization, one of the key challenges facing ANP recruiting is the ability to project attrition due to, for example, casualties and AWOL. As attrition trends are developed using new data in APPS, the ANP and ANDSF as a whole will be able to better project both losses. CSTC-A said this will allow them to adjust recruiting objectives as needed to ensure the force is more effective, affordable, and sustainable.¹⁴⁰

ANDSF Casualties

USFOR-A classified most ANDSF casualty information this quarter because the Afghan government classifies it.¹⁴¹ SIGAR's questions about ANDSF casualties can be found in Appendix E. A detailed analysis of ANDSF casualties is provided in the classified annex of this report.

DOD provided a general assessment of ANDSF casualties, saying that the number of ANDSF casualties increased slightly from May through October 2019 compared to the same period in 2018. The number of ANDSF casualties while conducting local patrols, checkpoint operations, and offensive operations did not change significantly during this period in 2019 compared to the same period in 2018. The majority of ANDSF casualties continue to result from direct-fire attacks at checkpoints, and RS has long cited checkpoint reduction as one its top priorities for the ANDSF. IED attacks and mine strikes constitute a relatively small portion of casualties.¹⁴²

ANDSF Insider Attacks Increase in 2019

According to RS, there were 33 insider attacks on the ANDSF this reporting period (September 1–December 31, 2019) that resulted in 90 casualties, continuing the high levels seen last quarter. This brings the 2019 total to 82 attacks that caused 257 casualties (172 deaths and 85 injuries), a higher number of attacks and casualties than in recent years.¹⁴³

ANDSF Performance – Most Data Classified

USFOR-A continued to classify most assessments of ANDSF performance because the Afghan government classifies them.¹⁴⁴ SIGAR's questions about ANDSF performance can be found in Appendix E of this report. Detailed ANDSF performance assessments are reported in the classified annex for this report.



An ASSF soldier stands watch as his fellow soldiers raid Taliban compounds in Logar Province. (NSOCC-A photo by Spc. Casey Dinnison)

CSTC-A's Five Priorities and Objectives for the ANDSF

1. Generating ANA combat power
2. Generating ANP policing power
3. Future force development
4. Logistics reform
5. Stewardship and accountability

Source: CSTC-A, response to SIGAR vetting, 1/18/2020.

New ANDSF Assessment Tool: CSTC-A's Five Priorities and Objectives

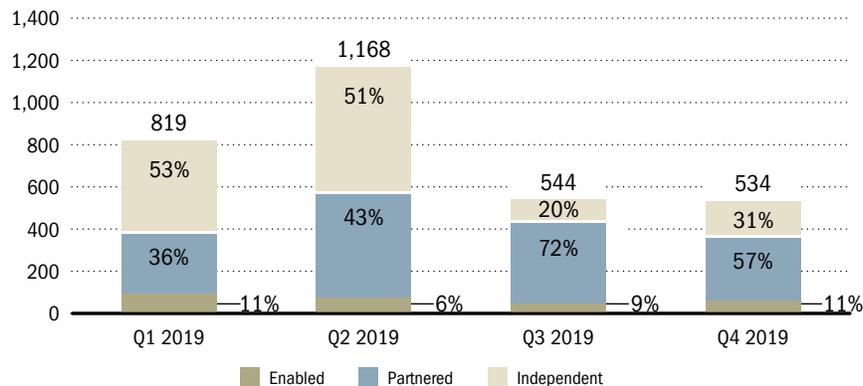
CSTC-A is building a new assessment tool for the ANDSF that will replace both the current advisor-engagement tool and the milestone tracker previously used. The new tool will break down CSTC-A's five priorities and objectives for the ANDSF into qualitative and quantitative measures that enable advisors to assess their train, advise, and assist (TAA) efforts. CSTC-A says this new assessment framework will provide the ability to capture data, make measured assessments of partner progress, and develop trends that inform resource allocation and TAA efforts. In addition, the tool will allow for adjustments for the changing political, social, and military environment while maintaining historical records of key measurements. The tool has been approved and will be deployed this year.¹⁴⁵

Afghan Special Security Forces

This quarter, SIGAR has expanded its analysis of Afghan Special Security Forces (ASSF) ground operations after compiling data provided by NATO Special Operations Component Command-Afghanistan (NSOCC-A). SIGAR began tracking the data earlier this year when DOD cited the increased number of independent ASSF operations as an important success indicator for the ANDSF. Because ASSF serves as the primary offensive force in the ANDSF, DOD said the ASSF's growing size and capabilities are important not only for the ANDSF's performance, but also for the United States to

FIGURE 3.38

COALITION-SUPPORTED VERSUS INDEPENDENT ASSF OPERATIONS



Note: Enabled = U.S. or Coalition forces' enablers (air support, etc.) are used during ASSF operation; Partnered = U.S. and Coalition forces partner with ASSF during operation; Independent = ASSF conducts operation with U.S. or Coalition support.

Source: NSOCC-A, response to SIGAR vetting, 1/10/2020 and 1/18/2020; SIGAR, analysis of RS-provided data, 1/2020.

increase the effectiveness and efficiency of its small-footprint military campaign in Afghanistan.¹⁴⁶

ASSF ground operations data from the last two years show that U.S. and Coalition forces are increasingly partnering with, or assisting the ASSF with, their operations. Figure 3.38 shows the ASSF conducted fewer ground operations (534) this quarter (October–December 2019) than they did during the rest of 2019, and only 31% of those operations were conducted independently, without U.S. and Coalition support. While the higher operational tempo of the ASSF in early 2019 entailed 30% more total operations in 2019 than in 2018, the number of independent operations was about the same. Consequently, only 43% of all ASSF operations in 2019 were independently conducted, compared to 55% in 2018.¹⁴⁷

Women in the ANDSF

According to CSTC-A, there were 4,524 female personnel, including civilians, enrolled in APPS as of October 31, 2019. The majority of ANDSF women continue to serve in MOI (3,062 personnel), with the other 1,462 in the MOD. CSTC-A also reported that in addition to the number of females reported in APPS, there are currently 142 female cadets enrolled at Afghan military training institutions. This reported strength figure is considerably lower than figures provided to SIGAR over the last several quarters due to the transition of personnel reporting from previous Afghan self-reporting to APPS. CSTC-A said that as with other strength reporting, assigned-strength numbers sourced from APPS will continue to fluctuate due to ongoing enrollment and personnel-cleansing actions in the system.¹⁴⁸

SIGAR INSPECTION

SIGAR inspected a \$3.1 million training compound in Herat Province designed for female ANP students. During January 2019 site visits, SIGAR found construction deficiencies and no electricity, and the compound has never been occupied. For more information, see Section 2.

Ministry Performance Assessments – Most Data Classified

USFOR-A continued to classify most information about MOD and MOI performance because the Afghan government classifies it.¹⁴⁹ SIGAR's questions about the ministries' performance can be found in Appendix E of this report. SIGAR will report on the MOI and MOD performance assessments in the classified annex of this report.

AFGHAN NATIONAL ARMY

As of December 31, 2019, the United States had obligated nearly \$47.7 billion and disbursed more than \$47.5 billion of ASFF from FY 2005 through FY 2018 appropriations to build, train, equip, and sustain the ANA, AAF, and parts of the Afghan Special Security Forces (ASSF). These force elements constituted the ANA budget activity group (BAG) for reporting purposes through the FY 2018 appropriation. For more information about FY 2019 ASFF expenditures and authorizations for the ANA see pages 48–51.¹⁵⁰

ANA Sustainment Funding

As of December 31, 2019, the United States had obligated \$23.7 billion and disbursed \$23.5 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF sustainment.¹⁵¹ These costs include salary and incentive pay, fuel, transportation services, and equipment maintenance costs, including aircraft, and other expenses. For more details and the amount U.S. funds appropriated for ANA sustainment in FY 2019, see pages 50–51 of this report.

This quarter, CSTC-A reported providing approximately \$557.9 million of ASFF to the Afghan government for MOD elements' sustainment requirements thus far in Afghan FY 1398 (December 22, 2018–November 1, 2019). The U.S. contribution to the MOD sustainment was almost entirely for salaries and incentive pay (\$516.5 million). Roughly, \$41.4 million was spent on nonpayroll sustainment requirements (like fuel and generators) for the ANA.¹⁵² CSTC-A's funding for MOD's salary and incentive payments decreased by only about \$5 million compared to about the same period in FY 1397 even though there was a roughly 8% decrease in reported MOD personnel (-14,734) over about the same time period.¹⁵³

ANA Equipment and Transportation

As of December 31, 2019, the United States had obligated and disbursed approximately \$13.7 billion from FY 2005 through FY 2018 ASFF appropriations for ANA, AAF, and some ASSF equipment and transportation costs.¹⁵⁴

Seen in Table 3.6, CSTC-A reported that the highest-cost items of equipment provided to the ANA, AAF, and ANASOC this quarter (September 1 through November 15, 2019) included five MD-530 helicopters (\$23.5 million), 36 HMMWVs (\$8.6 million), and several types of ammunition. This

TABLE 3.6

MAJOR EQUIPMENT PROVIDED TO THE ANA, SEPTEMBER 1–NOVEMBER 15, 2019				
Equipment Type	Equipment Description	Units Issued in Quarter	Unit Cost	Total Cost
Aircraft	MD-530 Helicopter	5	\$4,709,284	\$23,546,420
Vehicle	M1151A1WB1 HMMWV (Utility Truck)	36	238,500	8,586,000
Ammunition	.50 Caliber Ball Cartridge	2,678,400	3.20	8,570,880
Ammunition	M768 Mortar Cartridge (60 mm)	22,480	313	7,036,240
Ammunition	High-Explosive Rocket (57 mm)	15,000	400.62	6,009,300
Ammunition	High-Explosive Rocket (2.75")	4,320	890	3,844,800
Aircraft	UH-60 Helicopter	2	1,323,000	2,646,000
Weapon	M42 Sniper Rifle (7.62 mm)	324	7,049	2,283,876
OCIE	Field Pack Frame	13,807	147	2,034,323
Ammunition	.50 Caliber MK211-1 Cartridge	496,200	4	1,736,700
Total				\$66,294,539

Note: The above list reflects only the 10 highest-value equipment provided to the ANA this quarter. The “unit costs” listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases. OCIE = Organizational Clothing and Individual Equipment.

Source: CSTC-A, response to SIGAR data call, 12/19/2019.

quarter’s data shows a decrease in the amount of high-cost equipment provisions compared to previous quarters.¹⁵⁵

CSTC-A told SIGAR this quarter that because most equipment procurements for the ANDSF require a lengthy process, equipment provisions reported here often reflect procurement requests that were made and funded one or two years ago. CSTC-A said that over the last year or so, it has shifted away from requesting bulk procurements of “major” items, such as weapons systems, HMMWVs, and other costly procurements. Instead, they are more focused on training the ANDSF to repair the equipment they currently have to extend its usable life rather than replacing it on a fixed schedule. CSTC-A will continue to provide replacements for items once they have exceeded their life cycle or are unrepairable, and to replenish less costly items like ammunition and individual equipment at operationally determined intervals.¹⁵⁶

ANA Equipment Operational Readiness – Data Classified

This quarter, USFOR-A continued to classify data on ANA equipment readiness because the Afghan government classifies it.¹⁵⁷ SIGAR’s questions about ANA equipment readiness can be found in Appendix E of this report. ANA equipment readiness is reported in the classified annex of this report.

ANA Infrastructure

The United States had obligated and disbursed \$6 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, and some ASSF infrastructure projects as of December 31, 2019.¹⁵⁸

As of December 8, 2019, the United States completed a total of 478 ANA, AAF, and ANASOC infrastructure projects in Afghanistan at a total cost of roughly \$5.4 billion. The number of completed, ongoing, and awarded projects this quarter were in line with trends reported over the last year. CSTC-A reported that four projects were completed this quarter, costing roughly \$11.6 million. Another 33 projects were ongoing (\$246.8 million total cost) and four projects were awarded (valued at \$18.5 million). A project to build a facility for the Special Operations Brigade-North at Camp Pratt in Mazar-e Sharif was terminated this quarter because the NATO command working with the Afghan special forces determined that existing facilities could support the force's requirement. CSTC-A said the project's construction had started, but there were no complete components at the time of termination. Unspent project funds will be returned to the CSTC-A comptroller for possible use on other ASFF requirements.¹⁵⁹

The highest-cost ongoing projects include a joint NATO-ANA Trust Fund (NATF)-ASFF funded operations and life-support area for the AAF at the Mazar-e Sharif (\$40.8 million), a joint NATF-ASFF funded electrical grid connection for the ANA's Camp Shaheen (\$30.5 million), and an ASFF-funded renovations and additions to the ANA Parwan Prison (\$26.8 million).¹⁶⁰

ANA Training and Operations

As of December 31, 2019, the United States had obligated and disbursed approximately \$4.3 billion of ASFF appropriations from FY 2005 through FY 2018 for ANA, AAF, some ASSF, and MOD training and operations.¹⁶¹

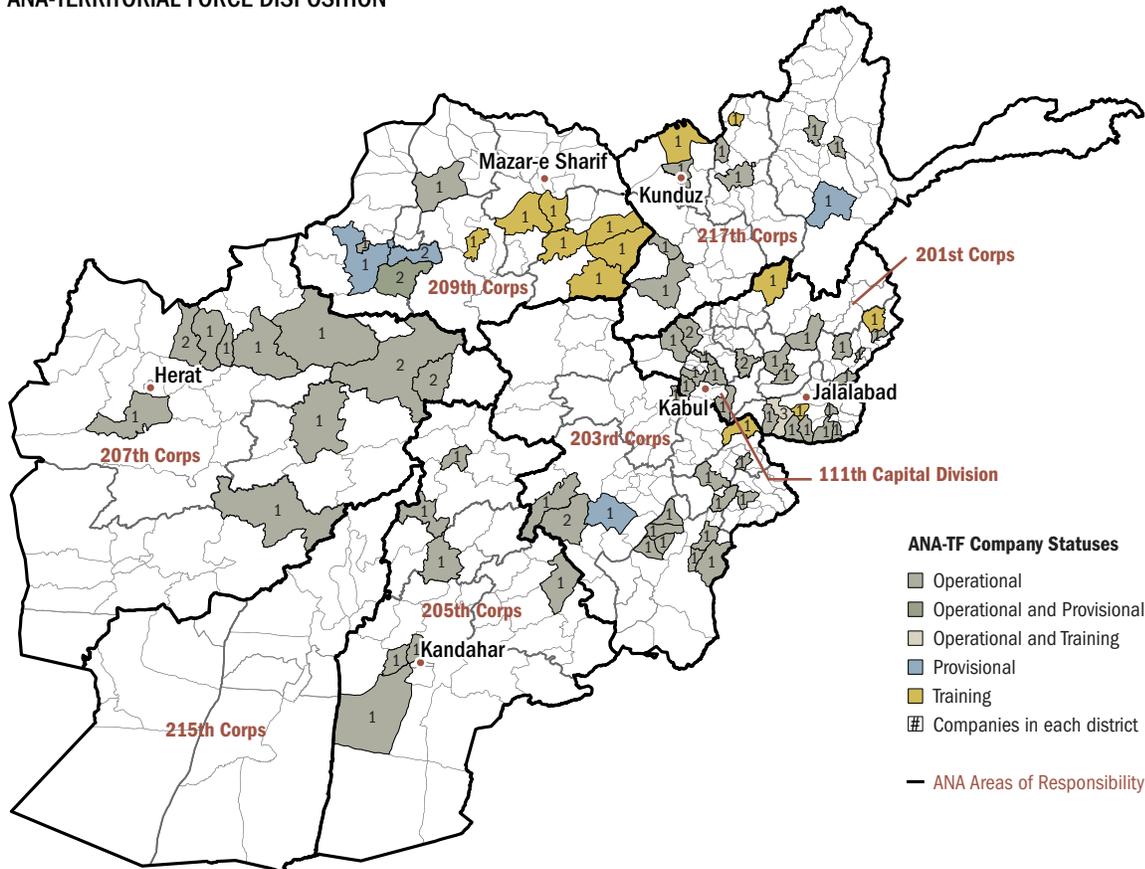
This quarter, the Department of Defense Office of the Inspector General (DOD OIG) released an audit determining whether DOD developed training, mentoring, and contractor-logistics-support requirements for the National Maintenance Strategy-Ground Vehicle Support (NMS-GVS) contract met the ANDSF's needs for maintaining and sustaining its vehicles. The main finding was that the \$2.2 billion in contracts DOD awarded for contractor support to train and perform vehicle maintenance and repairs for the ANDSF since 2010 have made no significant progress in the ANDSF's ability to independently perform maintenance. DOD OIG said that based on the results of the latest contract, the NMS-GVS, "the ANDSF will face challenges in becoming self-sufficient unless CSTC-A develops training and mentoring requirements that measure the ANDSF progression levels, establishes a reasonable work split requirement, and provides required software systems." In addition, if the ANDSF is not able to become self-sufficient by August 2022, when the NMS-GVS ends, DOD may have to continue paying contractor support.¹⁶²

SPECIAL PROJECT

SIGAR issued a special project this quarter reviewing DOD's efforts to implement recommendations from a 2016 SIGAR audit on the Afghanistan Technical Equipment Maintenance Program (A-TEMP) contract. The review found that while DOD did implement SIGAR's recommendations, it is still unknown whether their actions resulted in overall reduced spare-parts cost for the ANDSF. SIGAR made one further recommendation, that DOD modify the new NMS-GVS contract to allow the contractor to use the Defense Logistics Agency (DLA) to purchase spare parts when DLA's prices are the least expensive source. DOD agreed with the recommendation. See Section 2 for more information about this report.

FIGURE 3.39

ANA-TERRITORIAL FORCE DISPOSITION



Note: ANA-TF = Afghan National Army-Territorial Force; Operational and Provisional = Companies are split between operational and provisional statuses; Operational and Training = Companies are split between operational and training statuses. This data in this map is as of November 29, 2019.

Source: USFOR-A, response to SIGAR data call, 12/19/2019 and response to SIGAR vetting, 1/1/2020 and 1/18/2020.

ANA Territorial Force

The Afghan National Army Territorial Force (ANA-TF) is the newest ANDSF force element. Designed to be a lightly armed local security force that is more accountable to the ANDSF chain of command than local forces like the ALP, the ANA-TF is responsible for holding terrain in permissive security environments. DOD says that some of the ANA-TF companies may replace conventional ANA companies, where authorizations exist, in areas where conditions are appropriate for the units to thrive. Following a potential peace deal, DOD assesses that the ANA-TF or similar construct may serve as a potential vehicle for reintegration of insurgent fighters as one part of a whole-of-government approach.¹⁶³

The ANDSF is currently nearing the end of its second phase of expanding the ANA-TF. According to RS, there were 70 operational ANA-TF companies across Afghanistan, as of November 29, 2019, with 14 more

companies in training, six more being stood up provisionally, and 15 more in the planning and recruiting phase.¹⁶⁴ The ANA-TF's expansion has been rapid: in July 2019, the ANA had only employed 26 operational companies across Afghanistan.¹⁶⁵

The ANA-TF is currently authorized for 105 companies (expected to be fully operational by March 1, 2020), and the Afghan government has initial plans to grow the ANA-TF to 121 companies during a potential third phase of ANA-TF expansion. Seen in Figure 3.39 on the previous page, the locations of the ANA-TF's operational and planned companies serve the purpose of denying the Taliban freedom of maneuver, and keeping the Taliban away from urban areas and key lines of communication and transportation.¹⁶⁶

AFGHAN AIR FORCE

U.S. Funding

As of November 23, 2019, the United States had appropriated approximately \$8.4 billion to support and develop the AAF (including the SMW) from FY 2010 to FY 2020. After authorizing \$1.5 billion to pay for the AAF's aircraft, sustainment, training, and infrastructure in 2019, Congress authorized some \$1.3 billion in FY 2020 funding for the AAF, bringing authorized funding back to the lower levels of 2017 and 2018. The AAF has been authorized more funding than any other element of the ANDSF in 2020.¹⁶⁷

Table 3.7 shows that in FY 2020 funding priorities for the force shifted from equipment and aircraft outlays to training for the first time since FY 2016, although sustainment remains the most resourced funding category.¹⁶⁸ AAF sustainment costs primarily include contractor-provided maintenance, major and minor repairs, and procurement of parts and supplies for the AAF's in-country inventory of seven air platforms: UH-60, MD-530, and Mi-17 helicopters; A-29, C-208, and AC-208 fixed-wing aircraft; and C-130 transport aircraft.¹⁶⁹

TABLE 3.7

U.S. ASFF FUNDING AUTHORIZED AND/OR REQUESTED FOR THE AAF, FY 2015–2020 (\$ THOUSANDS)						
Funding Category	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Equipment and Aircraft	\$142,931	\$27,263	\$837,358	\$395,480	\$545,764	\$103,650
Training	104,220	92,617	156,045	266,406	244,853	340,261
Sustainment	329,032	416,408	278,032	554,603	679,558	837,776
Infrastructure	–	–	8,386	22,257	24,850	8,611
Total	\$576,183	\$536,288	\$1,279,821	\$1,238,746	\$1,495,025	\$1,290,298

Note: Data is as of November 23, 2019. This table does not reflect the effects of the December 2019 enacted rescission of FY 2019 funds or two forthcoming budget revision proposals for FY 2019 and FY 2020.

Source: CSTC-A, response to SIGAR data call, 12/19/2019.

Nearly \$5.9 billion had been obligated for the AAF and SMW from FY 2010 through FY 2019, as of November 23. About \$1.2 billion of those funds were obligated in FY 2018, and \$927.1 million has been obligated thus far in FY 2019.¹⁷⁰ A substantial portion of these funds (\$2.8 billion) has been obligated for AAF sustainment, which accounts for 48% of obligated funds, followed by equipment and aircraft (\$1.9 billion) at 32%. The amount of funds obligated thus far in FY 2019 differ from recent fiscal years in that the amount obligated for equipment and aircraft (\$76.2 million) decreased by 79% compared to FY 2018 and by 81% to 2017.¹⁷¹ CSTC-A said this is because aircraft procurement has slowed down from previous years and CSTC-A is transitioning to sustaining and maintaining the current fleet.¹⁷²

Aircraft Inventory and Status

TAAC-Air reported an increase of nine operational aircraft this quarter. TAAC-Air reported that the AAF received five additional UH-60s and five MD-530s this quarter. Seen in Table 3.8, the AAF's current in-country inventory as of December 29, 2019, includes 167 operational aircraft. The table also shows TAAC Air's anticipated end state for the AAF by the end of FY 2021. Of note, they are planning to phase out the Mi-17s and add 10 more A-29s, seven more UH-60s, and six more MD-530s to the AAF's inventory.¹⁷³

AAF Operations and Readiness

The AAF decreased its flight hours by 9%, and the readiness of four of seven of its airframes declined this quarter (October–December 2019), compared to last quarter (July–September 2019).¹⁷⁴ However, all airframes except the C-208, a single-engine cargo or personnel transport plane, met their readiness benchmarks, an improvement from last quarter, when three airframes failed to meet their readiness benchmarks. According to TAAC-Air, the C-208 did not meet its benchmark because its maintenance contractors were often prevented from coming to work due to security conditions. Also, some C-208s are awaiting parts that take time to procure and some C-208s require complex repairs. Only the Mi-17 continued to fly over its recommended flight hours this quarter, the same as last quarter. TAAC-Air said this was because in November, the Mi-17s were forced to fly less while recovering due to their maintenance backlog from overflying in September and October.¹⁷⁵

TAAC-Air also reported this quarter that it reduced its total number of AAF advisors from 183 to 150 “to better meet the needs of the [AAF].” They said they are still able to focus on advising on issues that are most critical to the AAF's continued growth, and that TAAC-Air's current capabilities and resources continue to meet all the AAF's training needs.¹⁷⁶ TAAC-Air said its advising model is focused on long-term and expeditionary advising. TAAC-Air is working to encourage AAF growth and independence in

TABLE 3.8

AAF AVIATION SUMMARY AS OF DECEMBER 2019			
AIRCRAFT	Usable	Total	End State / Goal 2021
Fixed Wing			
A-29	15	25	25
C-130	3	4	4
C-208	23	24	23
AC-208	10	10	10
Rotary Wing			
Mi-17	22	27	0
UH-60	45	45	52
MD-530	49	49	55
Total	167	184	151

Note: These figures do not include the aircraft for the Special Mission Wing, which are classified.

Source: TAAC-Air, response to SIGAR data call, 1/7/2020; TAAC-Air, response to SIGAR vetting, 1/18/2019; SIGAR, analysis of TAAC-Air-provided data, 1/2020.



A police advisor teaches ANP officers about civil rights during an interview and reporting course. (RS photo by Staff Sgt. Neysa Canfield)

areas where they demonstrate the ability to sustain progress, establish enduring advisors in areas most critical to the AAF's continued success, and create expeditionary advisors at specific points of need to accelerate AAF independence.¹⁷⁷

AFGHAN NATIONAL POLICE

As of December 31, 2019, the United States had obligated nearly \$21.7 billion and disbursed more than \$21.4 billion of ASFF funds from FY 2005 through FY 2018 appropriations to build, train, equip, and sustain the ANP and some ASSF. These force elements comprised the ANP budget activity group (BAG) for reporting purposes through FY 2018 appropriation. For more information about FY 2019 ASFF expenditures and authorizations for the ANP see pages 48–50.¹⁷⁸

ANP Sustainment Funding

As of December 31, 2019, the United States had obligated approximately \$9.7 billion and disbursed approximately \$9.6 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP and some ASSF sustainment.¹⁷⁹ For more information about what these costs include and the amount U.S. funds appropriated for ANP sustainment in FY 2019, see pages 50–51 of this report.

This quarter, CSTC-A reported that the total amount expended for on-budget MOI elements' sustainment requirements thus far for Afghan FY 1398 (December 22, 2018–November 1, 2019) was roughly \$140.7 million. Some \$100.9 million of these funds went toward nonpayroll-related MOI sustainment expenses such as contracts for operations and maintenance

of equipment and buildings, drilling wells, security improvements, and other minor projects. CSTC-A said nonpayroll expenditures are increasing because MOI is doing a better job of executing its sustainment contracts.¹⁸⁰

The remaining \$39.8 million of CSTC-A's contributions to MOI sustainment expenses was spent on ALP salaries. CSTC-A provided roughly the same amount of funds to the Afghan government for ALP salary and incentive payments as in the same period in Afghan FY 1397, despite the ALP's decreased personnel strength in APPS compared to its self-reported strength from the same period a year prior.¹⁸¹ Unlike with the ANA, a significant share of ANP personnel costs (including ANP salaries) are paid by international donors through the United Nations Development Programme's multidonor Law and Order Trust Fund for Afghanistan (LOTFA).¹⁸²

ANP Equipment and Transportation

As of December 31, 2019, the United States had obligated and disbursed approximately \$4.8 billion and disbursed approximately \$4.7 billion of ASFF from FY 2005 through FY 2018 appropriations for ANP equipment and transportation costs.¹⁸³

CSTC-A informed SIGAR that they decided to move away from procuring "major," high-cost equipment, like HMMWVs or entire communications systems, a change from prior quarters. Instead, they are more focused on training the ANDSF to repair the equipment they currently have to extend its usable life rather than replacing it on a fixed schedule. CSTC-A will continue to provide replacements for items once they have exceeded their life cycle or are unrepairable, and to replenish less costly items like ammunition and individual equipment at regular, operationally determined intervals.¹⁸⁴

Seen in Table 3.9 on the following page, CSTC-A reported that the highest-cost items of equipment provided to the ANP this quarter (September 1 through November 15, 2019) were less costly than they were previously and included several types of ammunition and tires for ANP trucks (\$1.3 million).¹⁸⁵

ANP Infrastructure

The United States had obligated and disbursed approximately \$3.2 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some ASSF infrastructure projects as of December 31, 2019.¹⁸⁶

This quarter, CSTC-A reported a \$10 million decrease in the estimated annual facilities-sustainment costs funded by the United States for all ANP facility and electrical-generator requirements. These costs will now be \$68.8 million per year, with \$42.4 million provided directly to the Afghan government and \$26.4 million spent by CSTC-A for the Afghan government. CSTC-A said this decrease reflects the difference between the planned facilities-sustainment costs and the actual amounts executed by the MOI.

TABLE 3.9

MAJOR EQUIPMENT PROVIDED TO THE ANP, SEPTEMBER 1–NOVEMBER 15, 2019				
Equipment Type	Equipment Description	Units Issued in Quarter	Unit Cost	Total Cost
Ammunition	5.56 mm 10 & 12 Clip Band Cartridge	7,096,320	\$0.35	\$2,483,712
Parts - Vehicles	Goodyear Tire for Ford Ranger	4,276	360.50	1,310,594
Ammunition	7.62 mm x 54 mm Cartridge*	1,679,000	0.71	1,922,090
Communication	Exportable Multiband Networking Radio	82	10,507	861,574
Weapon	Club, Self-Protection	5,500	113.64	625,020
Ammunition	12.7 mm x 108 mm Ball Cartridge*	144,000	3.82	550,080
Ammunition	High-Explosive Grenade (40 mm)	5,508	69.89	384,954
Parts - Weapons	MK93 Machine Gun/Grenade Launcher Mount	199	1,775	353,225
OCIE	Combat Boots	3,489	95.85	334,421
Parts - Communications	Power Converter	100	2,643	264,300
Total Cost of Equipment				\$9,089,970

* = non-NATO-standard equipment.

Note: The above list reflects only the 10 highest-value equipment items provided to the ANP this quarter. The "unit costs" listed reflect the average costs paid for items procured under multiple Foreign Military Sales cases. OCIE = Organizational Clothing and Individual Equipment.

Source: CSTC-A, response to SIGAR data call, 12/19/2019.

Both ministries have experienced difficulties in executing their facilities-sustainment programs.¹⁸⁷

As of December 8, 2019, the United States had completed 782 ANP infrastructure projects in Afghanistan valued at roughly \$3 billion. CSTC-A reported that two projects were completed this quarter, costing \$4.3 million. Another seven projects (valued at \$82.5 million) were ongoing and no projects were awarded. The number of completed, ongoing, and awarded projects this quarter declined compared to reporting over the last year.¹⁸⁸ CSTC-A said this was because the ANP's facilities needs have mostly been met, or are currently under construction, so the construction program will continue to slow, with fewer new projects reported each quarter.¹⁸⁹

The highest-cost ongoing ANP infrastructure projects include a joint NATF- and ASSF-funded CCTV surveillance system in Kabul (\$33 million), and ASFF-funded GCPSU facilities in Kabul (\$2.1 million) and Kandahar (\$1.7 million).¹⁹⁰

ANP Training and Operations

As of December 31, 2019, the United States had obligated \$4.1 billion and disbursed \$3.9 billion of ASFF appropriations from FY 2005 through FY 2018 for ANP and some ASSF training and operations.¹⁹¹ See page 82 for an update on ANP vehicle-maintenance training.



An Afghan policeman removes a roadside IED in Helmand Province. (Afghan government photo)

REMOVING UNEXPLODED ORDNANCE

Afghanistan is riddled with landmines and explosive remnants of war (ERW) such as live shells and bombs, according to the United Nations.¹⁹² Although contamination includes legacy mines laid before 2001, most casualties today are caused by the mines and other ERW following the arrival of international forces.¹⁹³ In recent years, casualties have been reported from ordnance exploding in areas formerly used as firing ranges by Coalition forces and UNAMA has documented a direct correlation between civilian casualties and ERW in areas following heavy fighting.¹⁹⁴

State's Bureau of Political-Military Affairs' Office of Weapons Removal and Abatement (PM/WRA) manages the conventional-weapons destruction program in Afghanistan. Since FY 2002, State has allocated \$400 million in weapons-destruction and humanitarian mine-action assistance to Afghanistan (an additional \$11.6 million was obligated between 1997 and 2001 before the start of the current U.S. reconstruction effort). As of September 30, 2019, PM/WRA has allocated \$20 million in FY 2018 funds.¹⁹⁵

State directly funds seven Afghan nongovernmental organizations (NGOs), six international NGOs, and one Afghan government organization to help clear areas in Afghanistan contaminated by ERW and by conventional weapons (e.g., unexploded mortar rounds), which insurgents can use to construct roadside bombs and other improvised explosive devices (IEDs).¹⁹⁶

From 1997 through September 30, 2019, State-funded implementing partners have cleared more than 275.1 million square meters of land (106 square miles or less than twice the area of the District of Columbia) and

SECURITY

TABLE 3.10

DEMINEING PROGRAM PERFORMANCE METRICS, FISCAL YEARS 2010–2019							Estimated Contaminated Area Remaining (m ²) ^a
Fiscal Year	Minefields Cleared (m ²)	AT/AP Destroyed	UXO Destroyed	SAA Destroyed	Fragments Cleared		
2010	39,337,557	13,879	663,162	1,602,267	4,339,235		650,662,000
2011	31,644,360	10,504	345,029	2,393,725	21,966,347		602,000,000
2012	46,783,527	11,830	344,363	1,058,760	22,912,702		550,000,000
2013	25,059,918	6,431	203,024	275,697	10,148,683		521,000,000
2014	22,071,212	12,397	287,331	346,484	9,415,712		511,600,000
2015	12,101,386	2,134	33,078	88,798	4,062,478		570,800,000
2016	27,856,346	6,493	6,289	91,563	9,616,485		607,600,000
2017	31,897,313	6,646	37,632	88,261	1,158,886		547,000,000
2018	25,233,844	5,299	30,924	158,850	N/A		558,700,000
2019	13,104,094	3,102	26,791	162,727	N/A		657,693,033
Total	275,089,557	78,715	1,977,623	6,267,132	83,620,528		

Note: AT/AP = antitank/antipersonnel ordnance. UXO = unexploded ordnance. SAA = small-arms ammunition. N/A = not applicable.

Fragments are reported because clearing them requires the same care as other objects until their nature is determined. There are about 4,047 square meters (m²) to an acre.

^a Total area of contaminated land fluctuates as clearance activities reduce hazardous areas while ongoing survey work identifies and adds new contaminated land in the Information Management System for Mine Action (IMSMA) database.

Source: PM/WRA, response to SIGAR data call, 12/18/2019.

removed or destroyed over eight million landmines and other ERW such as unexploded ordnance (UXO), abandoned ordnance (AO), stockpiled munitions, and homemade explosives. Table 3.10 shows conventional-weapons destruction figures, FY 2010–2019.¹⁹⁷

The estimated total area of contaminated land continues to fluctuate: clearance activities reduce the extent of hazardous areas, but ongoing surveys find new contaminated land. At the beginning of the calendar year, there were 619.3 square kilometers (239.1 square miles) of contaminated minefields and battlefields. As of September 30, the total known contaminated area was 657.7 square kilometers (253.9 square miles) in 3,995 hazard areas. PM/WRA defines a minefield as the area contaminated by landmines; a contaminated area can include both landmines and other ERW.¹⁹⁸

In 2012, the Afghan government was granted an extension until 2023 to fulfill its obligations under the Ottawa Treaty to achieve mine-free status. Given the magnitude of the problem and inadequate financial support, the country is not expected to achieve this objective.¹⁹⁹

According to State, the drawdown of Coalition forces in 2014 coincided with a reduction in international donor funds to the Mine Action Programme for Afghanistan (MAPA). From a peak of \$113 million in 2010, MAPA's budget decreased to \$51 million in 2018. The Afghan government is expected to request another 10-year extension to meet its treaty obligations. However, according to the State Department, the extension request cannot be initiated or acknowledged sooner than 18 months before April 2023—the end date of the current extension.²⁰⁰

CONFLICT MITIGATION ASSISTANCE FOR CIVILIANS

USAID’s Conflict Mitigation Assistance for Civilians (COMAC) is a \$40 million, five-year, nationwide program that began in March 2018. It supports Afghan civilians and their families who have suffered losses from military operations against the Taliban or from insurgent attacks. COMAC provides assistance to Afghan civilians and their dependent family members who have experienced loss due to:²⁰¹

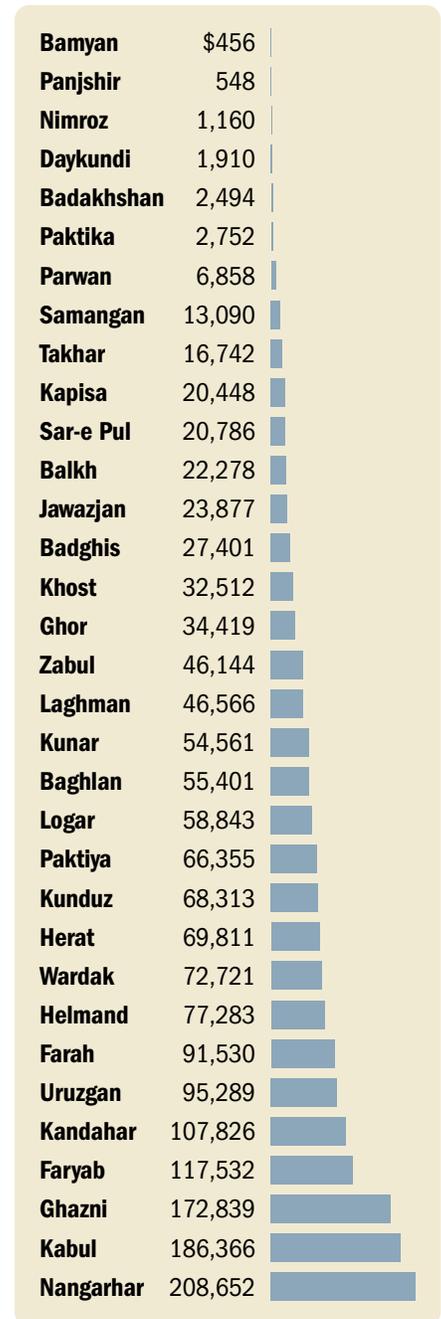
- military operations involving the U.S., Coalition, or ANDSF against insurgents, criminals, terrorists, or illegal armed groups
- landmines, improvised explosive devices (IED), unexploded ordnance, suicide attacks, public mass shootings, or other insurgent or terrorist actions
- cross-border shelling or cross-border fighting

COMAC provides in-kind goods sufficient to support families affected by conflict for 60 days. Additional assistance includes referrals for health care and livelihood service providers, and economic reintegration for families impacted by loss or injury.²⁰² During FY 2019, COMAC launched an online incident case-management system to coordinate the distribution of assistance packages. The incident-management system uses biometric registration to identify beneficiaries. During FY 2019, COMAC responded to 3,797 incidents in all 34 provinces, distributing 7,734 assistance packages to 5,326 eligible families for a total program expense of \$1.8 million. As seen in Figure 3.40, the provinces receiving the most assistance included Nangarhar (\$208,700), Kabul (\$186,400), and Ghazni (\$172,800) while the provinces receiving the least assistance included Bamyan (\$456), Panjshir (\$548) and Nimroz (\$1,160).²⁰³

As of September 30, 2019, USAID has disbursed \$11.28 million for this program.²⁰⁴

FIGURE 3.40

USAID’S CONFLICT-MITIGATION ASSISTANCE FOR CIVILIANS BY PROVINCE, FY 2019



Note: Total assistance rounded to the nearest U.S. dollar. "Total Assistance" includes immediate assistance, tailored assistance, and medical assistance.

Source: USAID, response to SIGAR data call, 12/18/2019.

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GOVERNANCE

KEY ISSUES & EVENTS

U.S.-Taliban peace talks resumed this quarter following their September 2019 suspension.

Afghan election authorities released preliminary results for the September 2019 presidential election that showed President Ashraf Ghani in the lead.

The Asia Foundation released its annual Survey of the Afghan People, reporting that 64% of respondents believed reconciliation between the Afghan government and the Taliban is possible.

This quarter, President Donald J. Trump publicly announced the restart of U.S.-Taliban talks, declaring on a Thanksgiving Day visit to Bagram Air Base, “The Taliban wants to make a deal.”²⁰⁵ President Trump had suspended U.S. peace talks with the Taliban on September 7, 2019, after nine rounds of negotiations.²⁰⁶ At Bagram this quarter, President Trump reiterated that he had suspended the talks because the Taliban killed a U.S. soldier. Calling for a cease-fire, President Trump said the United States would stay in Afghanistan until “we have a deal or we have total victory.” On January 22, 2020, President Trump told President Ashraf Ghani that the Taliban needed to produce a “significant and lasting reduction in violence” to facilitate meaningful negotiations.²⁰⁷

On December 22, Afghanistan’s Independent Election Commission (IEC) released the long-delayed preliminary results from the September 28 presidential election. According to the preliminary figures, President Ghani received 923,868 votes (50.64%), Chief Executive Abdullah received 720,990 votes (39.52%), and Gulbuddin Hekmatyar received 70,242 votes (3.85%).²⁰⁸ The head of the IEC said the totals could change as the results are subject to a review by the Electoral Complaints Commission (ECC). If President Ghani’s votes fall below 50% plus one vote and no other candidate receives a majority, the IEC said there will be a run-off.²⁰⁹

U.S. RECONSTRUCTION FUNDING FOR GOVERNANCE

As of December 31, 2019, the United States had provided more than \$34.96 billion to support governance and economic development in Afghanistan. Most of this funding, nearly \$20.85 billion, was appropriated to the Economic Support Fund (ESF) administered by the State Department (State) and the U.S. Agency for International Development (USAID).²¹⁰

Starting this quarter, SIGAR will report on counternarcotics in this section. Since counternarcotics is a crosscutting issue that depends on a variety of reconstruction activities, please see Appendix B for the consolidated list of counternarcotics reconstruction funding.

SURVEY OF THE AFGHAN PEOPLE RELEASED

In December, the Asia Foundation released its annual *Survey of the Afghan People*, which found that 36% of their randomly selected respondents believe Afghanistan is going in the right direction (up from 33% the previous two years but still significantly below the high of 58% in 2013). A national sample of 17,812 Afghan respondents aged 18 years and above were surveyed face-to-face across all 34 provinces from July 11 to August 7, 2019. According to the Asia Foundation, the margin of error is +/- 1.16% with a 95% confidence interval. Unless otherwise noted, results from the survey referenced in this report are from the randomly selected respondents that represented 89% of the Asia Foundation's sample.²¹¹ As shown in Figure 3.41, the Asia Foundation's findings represent the views of randomly sampled Afghans living in districts occupied by about 77% of Afghanistan's population.²¹²



U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad updates President Ashraf Ghani on the progress in U.S.-Taliban peace talks. (Afghan government photo)

RECONCILIATION AND REINTEGRATION

U.S.-Taliban Talks Resume

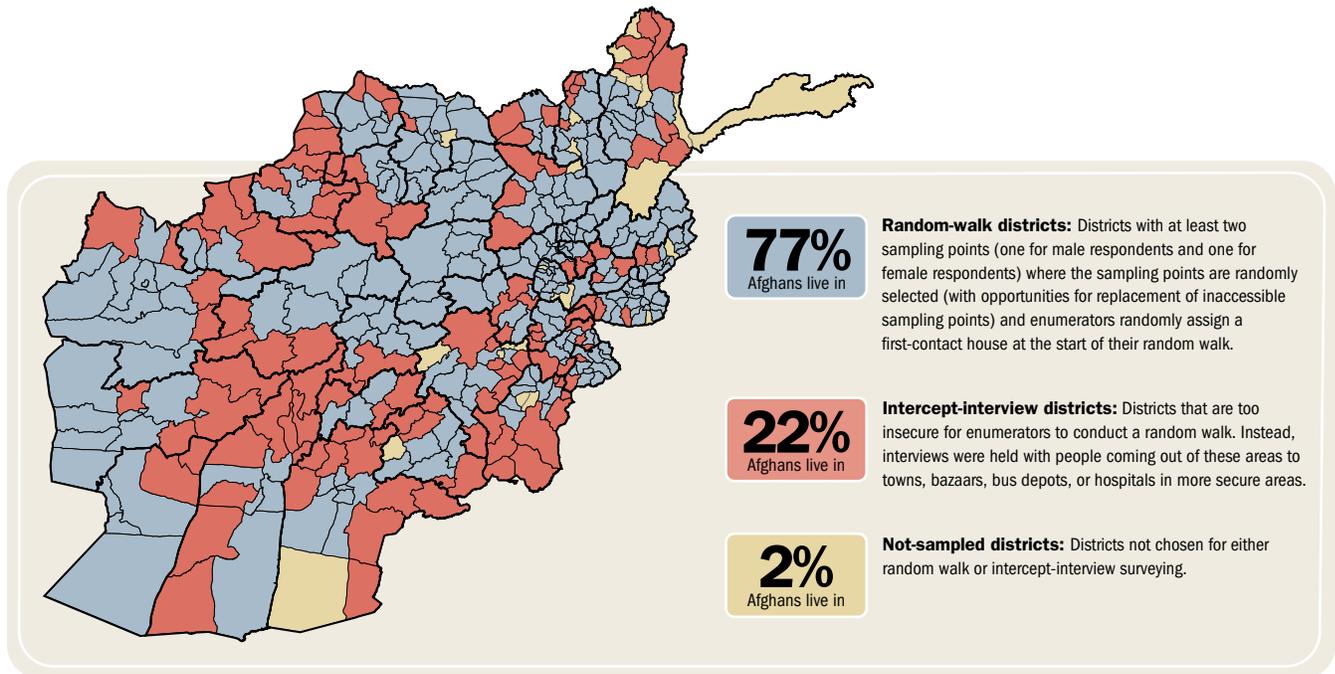
This quarter, President Trump confirmed that U.S. and Taliban representatives had restarted peace talks following their suspension in September 2019. President Trump called for a cease-fire and said the United States would stay in Afghanistan “until such time as we have a deal or we have total victory.”²¹³

A day before President Trump's remarks, the Taliban released an American and an Australian professor, both of whom had been held hostage by the Taliban since August 2016. According to State, the Taliban viewed the hostage release as a goodwill gesture. The Taliban also released 10 Afghan prisoners and the Afghan government released three Taliban prisoners.²¹⁴

On December 7, talks restarted between the U.S. and the Taliban in Doha, Qatar. According to State, the discussion was focused on a reduction of violence that would lead to intra-Afghan negotiations and a cease-fire.²¹⁵ The talks paused on December 12 following an attack on a medical facility

FIGURE 3.41

2019 SURVEY OF THE AFGHAN PEOPLE (DISTRICTS BY SURVEY METHOD)



Source: SIGAR analysis of The Asia Foundation's 2019 Afghan Survey Data (downloaded 12/19/2019) and USFOR-A, response to SIGAR data call, 2/15/2018.

under construction near Bagram Air Field. U.S. Special Representative for Afghanistan Reconciliation Zalmay Khalilzad tweeted that he expressed outrage about the attack to the Taliban negotiators, saying they must demonstrate their desire for peace.²¹⁶

On December 30, the Taliban posted a message on Twitter acknowledging the senior leadership was actively considering a U.S. proposal to reduce the scope and intensity of violence in Afghanistan prior to signing the draft U.S.-Taliban agreement, State said.²¹⁷

On January 1, 2020, U.S. Ambassador to Afghanistan John R. Bass said in an interview that the United States, in its negotiations with the Taliban, was not insisting on a nation-wide cease-fire. Instead, the goal was a reduction in violence—observable by everyday Afghans—that covers international and Afghan security forces.²¹⁸

On January 13, 2020, President Ghani's spokesperson called on the Taliban to agree to a cease-fire, saying, "without a cease-fire, there would be no peace talks [with the Afghan government]."²¹⁹ This same spokesman expressed the Afghan government's preference for a cease-fire over a reduction in violence, saying a reduction of violence does not have an established definition and is therefore impractical.²²⁰ U.S. Special Representative for

Afghan perceptions of reconciliation

According to the Asia Foundation's 2019 survey, 64% of respondents believed that reconciliation between the Afghan government and the Taliban is possible (a significant increase over the 53.5% who believed this in 2017). When it comes to offering assistance to former insurgents, 81% of respondents either strongly agreed or somewhat agreed (up from 69% in 2018). Almost half of respondents, 48.6%, say they feel sufficiently represented in the peace talks. Male respondents are more likely to feel represented than female respondents (51.8% vs. 45.4%). The sense of representation is higher among more-educated respondents.

Source: The Asia Foundation, Afghanistan in 2018: A Survey of the Afghan People, 12/4/2018, p. 5; The Asia Foundation, A Survey of the Afghan People: Afghanistan in 2019, 12/2/2019, pp. 171, 173–174.

Afghanistan Reconciliation Zalmay Khalilzad has called for reduced violence to pave the way for intra-Afghan negotiations. On January 22, 2020, President Trump told President Ashraf Ghani that the Taliban needed to produce a “significant and lasting reduction in violence” to facilitate meaningful negotiations.²²¹

A more comprehensive discussion of State’s perspectives on the peace talks is presented in the classified addendum of this report.

PRESIDENTIAL ELECTIONS

Preliminary Election Results Released Two Months Late

On December 22, 2019, the Afghan government’s Independent Election Commission (IEC) released the long-delayed preliminary results from the September 28 presidential election.²²² The IEC originally planned to release the preliminary results on October 19, followed by final results on November 7, and to hold a run-off between the top two candidates (if no candidate received more than 50% of the finalized results) on November 23, 2019.²²³

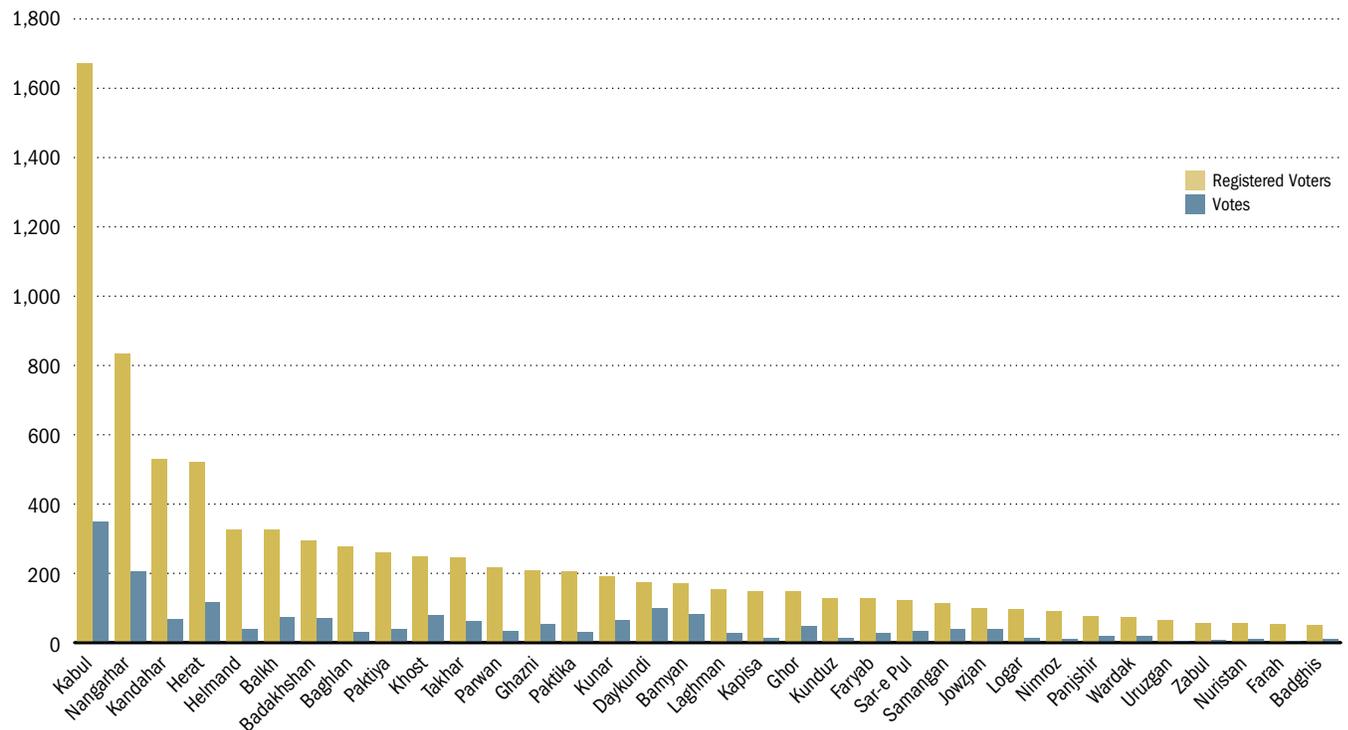
According to the preliminary figures, the top three candidates were President Ghani with 923,868 votes (50.64%), Chief Executive Abdullah with 720,990 votes (39.52%), and Gulbuddin Hekmatyar with 70,242 votes (3.85%).²²⁴ While announcing the preliminary results, the head of the IEC said the outcome could change subject to a review by the Electoral Complaints Commission (ECC). If President Ghani’s results fall below 50% plus one vote of the final total and no other candidate achieves a majority, there will be a run-off.²²⁵ U.S. Ambassador to Afghanistan John R. Bass reiterated the IEC’s caution about the preliminary nature of the results, tweeting that “many steps remain before final election results are certified.”²²⁶ The ECC received approximately 16,500 complaints, with 8,000 filed by Chief Executive Abdullah’s campaign and 3,000 by President Ghani’s campaign.²²⁷ On January 14, 2020, the ECC said it had rejected almost 10,000 of the complaints for lack of evidence. Further, the ECC ordered recounts for 5,315 polling stations.²²⁸

Commenting on the low voter turnout, Ambassador Bass said, “In our political culture, [such a victory with less than one million votes in a country of 30 million people] is not a commanding mandate. That is not a signal that a large majority of the people support whoever that person is.” Ambassador Bass called on the eventual winner to exhibit humility and govern inclusively.²²⁹

Of the 5,373 planned polling centers for the presidential election, only 4,678 opened on election day; most of the remainder were closed due to insecurity, the UN Secretary-General reported.²³⁰ However, the IEC included only the preliminary results from 4,540 polling centers.²³¹

FIGURE 3.42

VOTER REGISTRATION AND TURNOUT BY PROVINCE (THOUSANDS)



Note: See Appendix F “Low Election Turnout Across the Board” for details on this analysis.

Source: SIGAR analysis of IEC preliminary results data compiled by Colin Cookman, downloaded from https://github.com/colincookman/afghanistan_presidential_election_2019 on 12/25/2019 and USFOR-A, response to SIGAR data call, 2/15/2018.

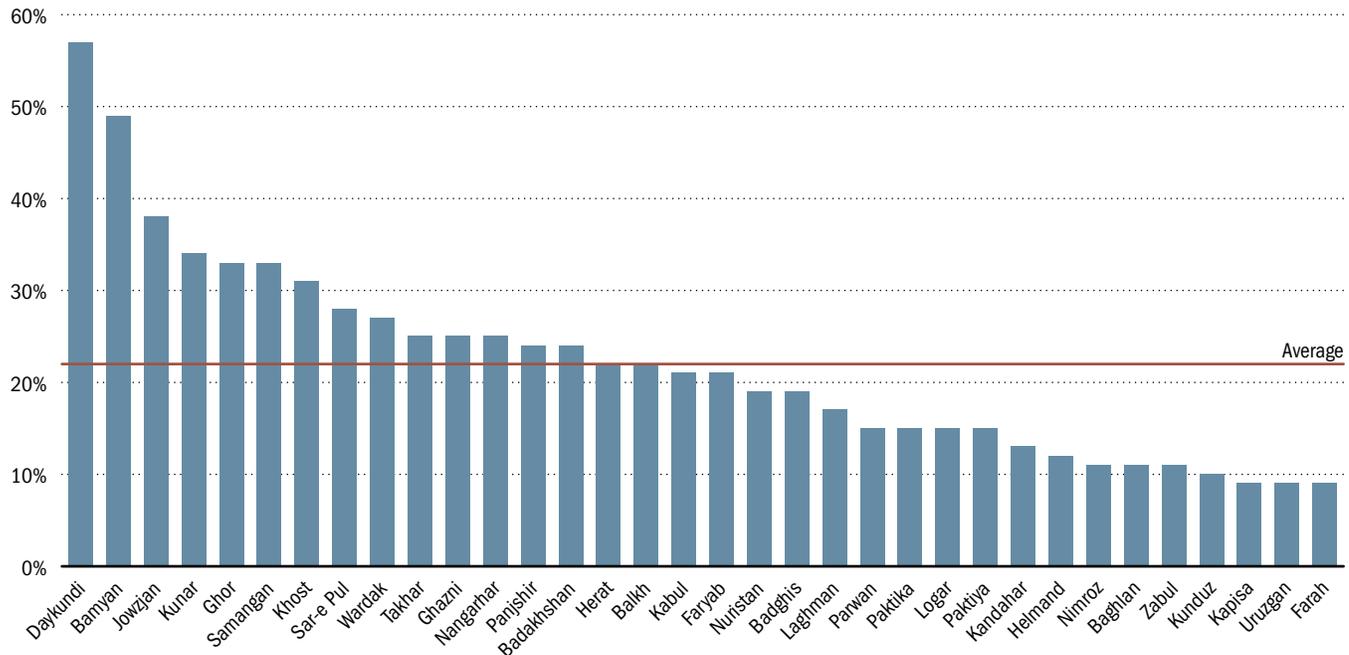
Low Election Turnout Across the Board

Only 21.84% (1,824,401) of Afghanistan’s more than eight million registered voters cast ballots in the September election. Figure 3.42 shows the total number of registered voters per province compared to the reported voter turnout. Kabul and Nangarhar Provinces stand out for having the largest number of both registered voters and recorded votes (representing between them approximately 30% of both registrations and votes nationwide).²³²

However, these two relatively urbanized provinces saw only average levels of turnout as a percent of registered voters. Instead, as Figure 3.43 on the following page shows, the more rural, minority Hazara-dominated Daykundi (56.69%) and Bamyan Provinces (48.52%) had the highest voter turnout as a percent of registered voters per province.²³³ For more discussion on the urban/rural divide, see Appendix F Methodological Notes of this report.

FIGURE 3.43

PROVINCE-LEVEL TURNOUT AS PERCENT OF REGISTERED VOTERS



Note: See Appendix F “Low Election Turnout Across the Board” for details on this analysis.

Source: SIGAR analysis of IEC preliminary results data compiled by Colin Cookman, downloaded from https://github.com/colincookman/afghanistan_presidential_election_2019 on 12/25/2019.

Candidates and Protesters Demand Only Biometrically Validated Votes Be Counted

According to the IEC, one of the reasons for the delay in announcing the preliminary results was a dispute over the audit and recounting of votes from 8,225 polling stations (representing the equivalent of approximately 29% of the polling stations reported in the IEC’s preliminary results) that either lacked biometric data or showed other discrepancies.²³⁴

Chief Executive Abdullah Abdullah and many of the minor presidential candidates claimed that approximately 29% of the to-be-audited polling stations lacked biometric data. These candidates said the IEC should immediately invalidate the votes from these stations as the IEC had already said it would only count biometrically verified votes. Most of the presidential candidates did not want the audit and recount to proceed without a commitment from the IEC that it would invalidate some 300,000 votes that the candidates said were either registered outside of official polling hours, were initially quarantined, or had evidence of duplication (duplicate photos, voter registration numbers, or fingerprints). On November 13, the IEC suspended its audit and recount in 14 provinces for five days following protests by Abdullah’s supporters.²³⁵

After the IEC and the protesting candidates failed to reach a compromise, the IEC resumed its audit and recount, and the protesting candidates continued their boycott. Abdullah’s supporters halted the process again in seven provinces.²³⁶ On December 13, Abdullah asked his supporters to allow the IEC to proceed with their recount, saying this showed his “goodwill” despite his continued refusal to accept the hundreds of thousands of votes he said were fraudulent.²³⁷

Many candidates and their supporters appear to have pinned their hopes for a fair election on the implementation of biometric voter-verification technologies. As the UN Secretary-General reported, political reactions and maneuvering regarding biometric voter verification are at the center of the post-electoral controversies.²³⁸ According to USAID, while all candidates and the election-management bodies agree that only biometrically processed votes should be counted, they disagree over how to determine which votes are biometrically processed.²³⁹

U.S. Funding Support to Elections

The Afghan government estimated that the presidential elections would cost \$149 million, with the Afghan government committing \$90 million and donors providing the remaining \$59 million through the United Nations Development Programme (UNDP). According to the UN Secretary-General, these elections were the first primarily funded by the Afghan government since 2001.²⁴⁰

The U.S. government provided financial support to Afghan parliamentary and presidential elections in 2018 and 2019 through a grant of up to \$79 million to the UNDP. Through this grant, UNDP provides support to Afghanistan’s electoral management bodies, the IEC and the ECC.²⁴¹

As shown in Table 3.11, USAID had two active elections-related programs this quarter, the largest of which is support to the UNDP.²⁴²

USAID has the three-year, \$18.2 million cooperative agreement with the Consortium for Elections and Political Process Strengthening (CEPPS)—representing the International Foundation for Electoral Systems, the International Republican Institute, the National Democratic Institute, and Internews—to support domestic Afghan election observation of the 2018 parliamentary elections, the 2019 presidential elections, and to promote longer-term electoral reforms.²⁴³ CEPPS’ local partners trained and planned to field 7,109 observers to cover all polling centers in the 2019 presidential election, but reportedly fielded only some 6,800 domestic observers covering 79% of open polling centers.²⁴⁴

TABLE 3.11

USAID ELECTION-RELATED PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Electoral Support Activity (ESA)	5/20/2015	12/31/2019	\$78,995,000	\$59,955,399
Strengthening Civic Engagement in Elections in Afghanistan Activity (SCEEA)	8/9/2018	8/8/2021	18,253,000	9,295,886

Source: USAID, response to SIGAR data call, 1/13/2020.

“[What] concerns me is the number of people in this [Afghan] society, but particularly here in Kabul, who have a sense of entitlement about the flow of financial resources from the international community, from other governments, from taxpayers in democratic societies that will come to Afghanistan. They seem to expect that we will continue to provide hundreds of millions of dollars in funding regardless of whether it is spent well, regardless of whether it achieves the intended results because we have done so in the past.”

—*U.S. Ambassador to Afghanistan,*
John Bass

Source: ToloNews, “US Amb. Bass: Take Opportunity for Peace, Fight Corruption,” 1/1/2020.



Outgoing U.S. Ambassador to Afghanistan John R. Bass offering his thoughts after receiving an award from President Ashraf Ghani. (Afghan government photo)

MUTUAL ACCOUNTABILITY

Afghanistan Compact

This quarter, State said there were no updates on the Afghan government’s progress in meeting the Afghanistan Compact’s benchmarks for reform because the Afghan government and the U.S. Embassy had suspended the periodic Compact meetings until after the election.²⁴⁵

The U.S. and Afghan governments announced the launch of the Afghanistan Compact in 2017.²⁴⁶ The Compact is an Afghan-led initiative designed to demonstrate the government’s commitment to reforms. The Afghan government appears to face no direct financial consequences if it fails to meet the Afghanistan Compact reform commitments. Instead, the principal motivation for the Afghan government officials tasked with achieving the Compact benchmarks appears to be avoiding embarrassment, State said.²⁴⁷

U.S. ASSISTANCE TO THE AFGHAN GOVERNMENT BUDGET

Summary of Assistance Agreements

With regard to the security aid that makes up the vast majority of current U.S.-funded assistance to the Afghan government, participants in the NATO Brussels Summit on July 11, 2018, committed to extend “financial sustainment of the Afghan forces through 2024.” The public declaration

did not specify an amount of money or targets for the on-budget share of assistance.²⁴⁸

Prior to that, the United States and other international participants confirmed their intention to provide \$15.2 billion between 2017 and 2020 in support of Afghanistan's economic development priorities at the Brussels Conference in October 2016.²⁴⁹ Then at the November 2018 Geneva Conference on Afghanistan, international donors reaffirmed their intention to provide \$15.2 billion for Afghanistan's development priorities up to 2020 and to direct continuing but gradually declining financial support to Afghanistan's social and economic development up through 2024.²⁵⁰

According to the UN Secretary-General, this quarter, the UN began coordinating with the Afghan government to prepare for a 2020 ministerial conference to determine donor funding up to 2024. While a conference host has not yet been identified, the UN hopes donors will maintain their development investments until 2024.²⁵¹

At the November 2018 Geneva Conference on Afghanistan, the Afghan government proposed that donors commit to delivering 60% of aid **on-budget**.²⁵² However, international donors committed only to continue channeling aid on-budget "as appropriate" with no specific target.²⁵³

At the 2019 Civilian Assistance Review conducted by the U.S. and the Afghan governments, USAID officials said that the planned reduction in **off-budget** U.S.-funded development projects will not be redirected toward more on-budget assistance. According to USAID, the Afghan government lacks the systems, procedures, and controls required to manage additional U.S. on-budget funds.²⁵⁴ However, Afghanistan's minister of finance, in closing the review, recommended that USAID limit its off-budget projects to 10 programs only and phase out its use of contractors. Further, he recommended that donors set benchmarks for the Afghan government which, if achieved, would result in funds being delivered to the Afghan government.²⁵⁵ The minister's latter proposal resembles the structure of USAID's New Development Partnership program (which ended in July 2018 after USAID provided the Afghan government with \$380 million in benchmark-based incentive funds²⁵⁶) and the World Bank's current Incentive Program Development Policy Grant program (described in more detail below).

As shown in Table 3.12 on the following page, USAID's active, direct bilateral-assistance programs have a total estimated cost of \$75 million. USAID also expects to contribute \$2.7 billion to the Afghanistan Reconstruction Trust Fund (ARTF) from 2012 through 2020 in addition to \$1.37 billion disbursed under the previous grant agreement between USAID and the World Bank (2002–2011). USAID has disbursed \$154 million to the Afghanistan Infrastructure Trust Fund (AITF).²⁵⁷

On-budget assistance: encompasses donor funds that are aligned with Afghan government plans, included in Afghan government budget documents, and included in the budget approved by the parliament and managed by the Afghan treasury system. On-budget assistance is primarily delivered either bilaterally from a donor to Afghan government entities, or through multidonor trust funds. (DOD prefers the term "direct contributions" when referring to Afghanistan Security Forces Fund (ASFF) monies executed via Afghan government contracts or Afghan spending on personnel.)

Off-budget assistance: encompasses donor funds that are excluded from the Afghan national budget and not managed through Afghan government systems.

Source: SIGAR, Quarterly Report to the United States Congress, 7/30/2014, p. 130; Ministry of Finance, "Aid Management Policy for Transition and Beyond," 12/10/2012, p. 8; State, response to SIGAR vetting, 1/14/2016; DOD, OSD-P, response to SIGAR vetting, 1/15/2018.

GOVERNANCE

TABLE 3.12

USAID ON-BUDGET PROGRAMS					
Project/Trust Fund Title	Afghan Government On-Budget Partner	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Bilateral Government-to-Government Projects					
Textbook Printing and Distribution	Ministry of Education	9/15/2017	12/31/2019	\$75,000,000	–
Multi-Donor Trust Funds					
Afghanistan Reconstruction Trust Fund (ARTF) (current award)*	Multiple	3/31/2012	6/30/2020	2,700,000,000	\$2,395,686,333
Afghanistan Infrastructure Trust Fund (AITF)	Multiple	3/7/2013	3/6/2023	153,670,184	153,670,184

*USAID had a previous award to the ARTF that concluded in March 2012 and totaled \$1,371,991,195 in disbursements. Cumulative disbursements from all ARTF awards are currently \$3,767,677,528.

Source: USAID, response to SIGAR data call, 1/13/2020.

Civilian On-Budget Assistance

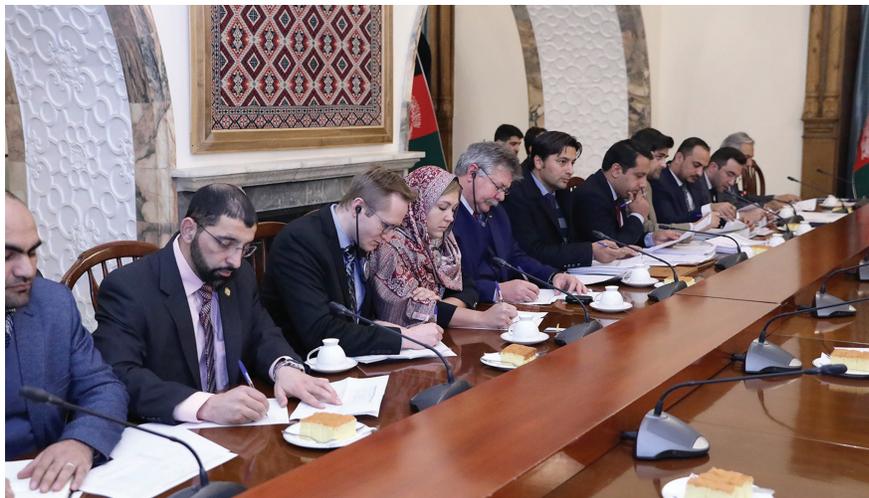
USAID has provided on-budget civilian assistance in two ways: bilaterally to Afghan government entities, and through contributions to two multidonor trust funds, the World Bank-administered ARTF and the Asian Development Bank-administered AITF.²⁵⁸ According to USAID, all bilateral-assistance funds are deposited in separate bank accounts established by the Ministry of Finance (MOF) for each program.²⁵⁹

The ARTF provides funds to the Afghan government's operating and development budgets in support of Afghan government operations, policy reforms, and national-priority programs.²⁶⁰ The AITF coordinates donor assistance for infrastructure projects.²⁶¹

As of September 2019, the United States remains the largest cumulative donor to the ARTF (30.2% of actual contributions paid in, as distinct from pledged); the next-largest donor is the United Kingdom (17.2% of actual contributions paid in).²⁶²

Following the April 2018 release of SIGAR's audit that criticized the World Bank's lack of transparency and failure to share ARTF-related reporting with donors,²⁶³ SIGAR has observed a marked increase in the volume of ARTF-related documents provided to USAID by the World Bank. According to USAID, the World Bank has increased its sharing of reports with ARTF donors, improving its relationship with them. USAID said the increased flow of ARTF documents has allowed USAID to better inform and involve its technical offices in ARTF meetings and initiatives.²⁶⁴

When the World Bank and the Afghan government disagree about the eligibility of certain ARTF expenditures, the World Bank requests a refund from the Afghan government. Since 2014, the World Bank has sought refunds in 15 cases, with three refunds presently outstanding. The World Bank has reportedly told the MOF that it will prevent the Afghan government from accessing \$30 million in incentive funds if the outstanding



SIGAR Investigative Analyst Jordan Schurter attending a meeting of the National Procurement Commission chaired by President Ghani. (Afghan government photo)

refunds are not processed.²⁶⁵ Following a fiduciary review of its concluded Education Quality Improvement Program (EQUIP II), the World Bank reported that the Ministry of Finance refunded \$2.2 million in EQUIP II funds that violated their World Bank rules. Further, the World Bank received and is validating approximately 90% of the previously missing Ministry of Education documentation associated with \$28.9 million in EQUIP II costs that the fiduciary review could not locate.²⁶⁶

The World Bank is currently partnering with the Afghan civil-society organization Integrity Watch Afghanistan (IWA) on community-based monitoring in Kabul, Kapisa, Nangarhar, Herat, and Bamyan Provinces. According to the World Bank, while the community-based monitoring data is not specific to their education or health programs, the IWA reporting is helpful for understanding challenges that are not otherwise communicated through conventional implementer reporting. The health care-related problems IWA identified in these provinces include: shortfalls or low quality of medicine, health centers residing in low-quality rented facilities, no drinking water, no waiting rooms, and low salaries for health workers. For education-related problems, IWA reported: a lack of school books, improperly designed or no school facilities, schools in rented facilities that necessitate frequent relocations with each new lease, and absence of standard toilets. The World Bank has requested that ministries implementing their programs share information on schools currently under construction with IWA to facilitate community monitoring of these ongoing projects.²⁶⁷

ARTF Recurrent-Cost Window

The ARTF recurrent-cost window supports operating costs, such as Afghan government non-security salaries and operation and maintenance expenses.

INTEGRITY WATCH AFGHANISTAN A PARTNER FOR OVERSIGHT

SIGAR has collaborated with the Afghan civil society organization Integrity Watch Afghanistan (IWA) on inspections of over 500 different facilities in 28 provinces across Afghanistan. While IWA only has approximately 95 paid staff, they have a network of volunteers in the provinces and districts that extends the organization's reach. In partnering with SIGAR over the past five years, IWA has used its work with SIGAR to increase its capacity and status as the lead civil society voice on corruption in Afghanistan.

The recurrent-cost window is also the vehicle for channeling reform-based incentive funds, such as the Incentive Program Development Policy Grant (IP DPG).²⁶⁸

As of September 2019, the ARTF recurrent-cost window has cumulatively provided the Afghan government approximately \$2.6 billion for wages, \$600 million for operations and maintenance costs, \$1.1 billion in incentive program funds, and \$762 million in ad hoc payments since 2002.²⁶⁹

U.S. provided \$60 million in ARTF incentive funds despite announcing intention to withhold these funds

In December 2019, USAID provided \$60 million in ARTF incentive funds despite a State Department statement on September 19, 2019, that the U.S. government would withhold that amount due to the Afghan government's failure to meet unspecified benchmarks for transparency and accountability in public financial management.²⁷⁰

The \$60 million in question were incentive funds tied to two Incentive Program Development Policy Grant (IP DPG) public financial-management-related benchmarks that were not due until November 15, 2019. These benchmarks required the Afghan government to: (1) publish fortnightly revenue reports on its website and (2) publish the minutes of the meetings of the cash-management committee.²⁷¹

In November 2019, the World Bank told donors that the IP DPG benchmarks (including the two IP DPG benchmarks USAID said were associated with the \$60 million in incentive funds) were complete and that the Afghan government's supporting evidence had been translated and verified by the Bank.²⁷² In total, USAID has provided \$210 million to support the 2019 IP DPG.²⁷³

World Bank reconsiders teacher training and other “soft” development efforts

A recent review of the World Bank's former Education Quality Improvement Program (EQUIP II) project revealed a number of fiduciary risks in the design, implementation, and monitoring of teacher training, according to the Bank. These findings have implications for other “soft” development activities that do not leave behind tangible assets that can be readily verified.²⁷⁴ (EQUIP II was an ARTF-funded project that ran from 2008 to 2017 that aimed to increase equitable access to quality basic education.²⁷⁵) The World Bank accordingly has decided to reduce its exposure by significantly scaling back its support to teacher training in the EQUIP II follow-on program, even as it recognizes Afghanistan's continued “critical” need for a well-trained teaching force.²⁷⁶

Although the project exceeded its targets in the number of teachers trained, the World Bank now questions the impact of its \$108 million teacher-training effort. According to World Bank monitoring data, EQUIP

II trained hundreds of thousands of teachers through a consortium of 10 nongovernmental organizations. Further, a third-party evaluation conducted during EQUIP II's implementation produced largely positive conclusions.²⁷⁷ (While the World Bank deployed a third-party monitor for EQUIP II, this monitoring was limited to school construction and did not extend to either physical monitoring or verification of teacher training.²⁷⁸)

However, the World Bank now acknowledges that the impact of this large-scale training is unclear: there was no rigorous assessment of teacher competency, and no impact evaluation was conducted to measure the effectiveness of this large-scale training. When the Bank did conduct objective testing of a sample of the allegedly trained teachers in 2017, it found that more than half the sample scored at or below the equivalent of grade 2 (unable to subtract double digits or divide double digit with single digit). The teachers tested also performed poorly in a battery of questions designed to test their instructional skills, with only one in three able to assess student learning properly.²⁷⁹

As a result of these reflections, the World Bank now recognizes that projects involving soft characteristics (such as all forms of training, distribution of perishable items such as seeds or feed in agriculture projects or consumables in health projects) are particularly at risk. The low capacity of recipient-government monitoring systems and the World Bank's own inability to conduct field visits exacerbates these risks.²⁸⁰ The World Bank has also concluded that the Afghan government's own audit arrangements, at least as it related to EQUIP II, were often inadequate to identify risks and issues associated with the program and report on their resolutions.²⁸¹

On-Budget Assistance to the ANDSF

Approximately 71% of total U.S. on-budget assistance goes toward the requirements of the Afghan security forces.²⁸²

DOD provides on-budget assistance to the Afghan government through direct contributions from the Afghanistan Security Forces Fund (ASFF) to the Afghan government to fund a portion of Ministry of Defense (MOD) and Ministry of Interior (MOI) requirements, and through ASFF contributions to the multidonor Law and Order Trust Fund for Afghanistan (LOTFA).²⁸³

According to DOD, most of the ASFF appropriation is not on-budget because it is spent on equipment, supplies, and services for the Afghan security forces using DOD contracts.²⁸⁴ UNDP administers LOTFA primarily to fund Afghan National Police salaries and incentives.²⁸⁵ The Combined Security Transition Command-Afghanistan (CSTC-A) provides direct-contribution funding to the Ministry of Finance (MOF), which allots it incrementally to the MOD and MOI.²⁸⁶

For Afghan fiscal year (FY) 1398 (December 2018–December 2019), CSTC-A planned to provide the Afghan government up to the equivalent of \$707.5 million to support the MOD and \$137.3 million to support the MOI.²⁸⁷

GOVERNANCE



President Ashraf Ghani and Lt. Gen. E. John Deedrick Jr., Commander, Combined Security Transition Command - Afghanistan, meet at the presidential palace. (Afghan government photo)

As of November 1, CSTC-A had provided the Afghan government the equivalent of \$523.6 million to support the MOD for FY 1398. Almost all of these funds (92%) paid for salaries.²⁸⁸ Additionally, as of November 1, CSTC-A had provided the equivalent of \$133.1 million to support the MOI. Of these funds, none were delivered via the LOTFA.²⁸⁹ With less than two months left in the Afghan fiscal year, the MOD and MOI spent approximately 74% of the wages and salaries CSTC-A had budgeted for these ministries.²⁹⁰

CSTC-A has reduced its involvement in the LOTFA over the past few years. In 2016, for example, the United States contributed \$114.40 million to LOTFA, but only \$1.04 million in 2018.²⁹¹ According to CSTC-A, their reduced LOTFA contributions allow other donors (such as those that are prohibited by their governments from providing funds directly to the Afghan government) to contribute to the MOI costs through the UNDP-administered fund.²⁹² CSTC-A told SIGAR that it plans to continue contributing to LOTFA and participating in LOTFA management at current levels.²⁹³

For Afghan fiscal year (FY) 1399 (December 2019–December 2020), CSTC-A plans to provide 4% (or approximately \$34 million) less in combined on-budget assistance to the MOD and MOI than it budgeted for 1398.²⁹⁴ The combined MOD and MOI wages and salaries for 1399 represents a reduction of 2.4% (or approximately \$15 million) compared to the amount CSTC-A budgeted for wages and salaries in 1398.²⁹⁵ According to CSTC-A,

some of its planned reductions were the result of MOD and MOI failures to fully execute CSTC-A funds for purchasing goods and services and assets.²⁹⁶

CSTC-A declines to adequately describe conditions for on-budget assistance

Over the past year, SIGAR has sought to understand CSTC-A's evolving perspective on the effectiveness of conditioning their approximately \$809.5 million in planned on-budget assistance to the MOD and MOI on the performance of the ministries in the next Afghan fiscal year. CSTC-A has made clear (and SIGAR has reported) that CSTC-A is no longer issuing commitment letters that outline certain predefined conditions that could result in reduced funding if the MOD or MOI fail to meet the conditions.²⁹⁷

Previously, CSTC-A viewed the commitment-letter conditions as a means to drive behavior change in the MOD and MOI by ensuring these institutions complied with various Afghan legal regulations, the Afghanistan Compact, and the U.S.-Afghanistan Strategic Partnership Agreement. The first commitment letters were implemented in 2014. As the commander of CSTC-A at that time, Major General Todd Semonite, told SIGAR, this was a reaction to his observation that “in 2013, we had no conditions” for on-budget funds to support the MOD and MOI. CSTC-A would apply financial and nonfinancial penalties (levers) when it observed noncompliance with commitment-letter conditions.²⁹⁸

CSTC-A now says that while it reserves the right to financially penalize the Afghan security forces, it believes financial incentives are a more effective tool.²⁹⁹

However, CSTC-A has declined to give specifics as to how its alternative incentive-based, positive-reinforcement approach to conditionality actually works. When asked for examples of positive Afghan government behaviors that prompted the provision of incentives, CSTC-A said only that it did not apply any penalties and that its partners are reliable.³⁰⁰ When asked to provide a list of any financial penalties or incentives, CSTC-A replied that it had focused over the last year on “building reliable partners within [the Afghan government] and the ANDSF. Through these partnerships, we have adopted an overall approach of incentivizing our reliable partners to accomplish our combined goals.”³⁰¹ When asked for documentation for the incentive-based approach, CSTC-A provided none.³⁰²

SIGAR's principal interest in this matter is in ensuring that Congress is informed of CSTC-A's approach to conditionality and of any evidence for the efficacy of this approach. Given CSTC-A's failure to provide documentation or detail for its new approach, SIGAR observed that CSTC-A's current approach appears more ad hoc than the previous predefined conditionality articulated in commitment letters. CSTC-A disagreed with this observation and asked that SIGAR remove any discussion of conditionality from this report until CSTC-A officials have the chance to discuss the issue in depth with SIGAR.³⁰³

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SIGAR recently initiated an audit of CSTC-A's use and enforcement of conditionality to improve accountability and transparency in the Afghan National Defense and Security Forces.³⁰⁴ CSTC-A's responses so far to this audit have similarly been of limited value to proper oversight.

NATIONAL GOVERNANCE

Civil Society and Media

As shown in Table 3.13, USAID funds programs to support broader human and institutional capacity building of civil-society organizations and the media.

TABLE 3.13

USAID CAPACITY-BUILDING PROGRAMS AT THE NATIONAL LEVEL				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Afghan Civic Engagement Program (ACEP)	12/4/2013	2/15/2020	\$79,120,000	\$78,812,355
Rasana (Media)	3/29/2017	3/28/2020	9,000,000	7,271,735

Source: USAID, response to SIGAR data call, 1/13/2020.

The Afghan Civic Engagement Program's (ACEP) goal is to promote civil-society and media engagement that enables Afghan citizens to influence policy, monitor government accountability, and serve as advocates for political reform. Starting in June 2018, ACEP's goals included expanding civic and voter education and engagement for the scheduled parliamentary and presidential elections.³⁰⁵ ACEP has awarded \$9.9 million in grants to local institutions and civil-society organizations (CSO). Its current portfolio includes an additional \$1.9 million in grants.³⁰⁶

This past quarter, ACEP implemented a peace campaign, "We Choose Peace," to highlight the benefits of tolerance, national unity, and engaging minorities, marginalized populations, and traditionally under-engaged populations. The campaign also highlights the cost of these groups' exclusion from the peace process at the community level. ACEP's campaign included delivering printed flyers and posters to 28 provincial capitals, FM radio broadcasts by ACEP members, and creating a peace-focused Facebook page to inform more people about the culture of peace.³⁰⁷

USAID's \$9 million Rasana program provides support to women journalists and women-run or women-owned media organizations. The program has four program areas: (1) support and training for women journalists, (2) investigative journalism initiatives, (3) advocacy and training for the protection of journalists, and (4) expanding the outreach of media through small grants for content production in underserved areas.³⁰⁸

SUBNATIONAL GOVERNANCE

Provincial and Municipal Programs

USAID has two subnational programs focused on provincial centers and municipalities: the Initiative to Strengthen Local Administrations (ISLA) and Strong Hubs for Afghan Hope and Resilience (SHAHAR) programs. Table 3.14 summarizes total program costs and disbursements to date.

TABLE 3.14

USAID SUBNATIONAL (PROVINCIAL AND MUNICIPAL) PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Strong Hubs for Afghan Hope and Resilience (SHAHAR)	11/30/2014	5/29/2020	\$72,000,000	\$61,154,020
Initiative to Strengthen Local Administrations (ISLA)	2/1/2015	7/30/2020	48,000,000	41,465,542
Citizens' Charter Afghanistan Project (CCAP)*	3/31/2012	6/30/2020	N/A	67,111,625

Note: *This includes USAID contributions to ARTF with an express preference for the Citizens' Charter Afghanistan Project.

Source: USAID, response to SIGAR data call, 1/13/2020.

Initiative to Strengthen Local Administrations

The \$48 million ISLA program is meant to enable the Afghan government to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA aims to strengthen subnational systems of planning, operations, communication, representation, and citizen engagement, leading to services that more closely respond to all citizens' needs in health, education, security, justice, and urban services.³⁰⁹

According to USAID, ISLA saw improvement in a core problem: the poor integration of provincial priorities into Afghanistan's national budget plans. For the Afghan fiscal year (FY) 1398 (December 2018–December 2019), ISLA found that 14.2% of community-proposed provincial development-plan (PDP) projects from 16 ISLA-supported provinces found their way into the national budget plan.³¹⁰

As of January 18, 2020, the Afghan government reported approximately \$62 million in expenditures for development projects that shared the same code and province as those PDP-proposed projects included in the Afghan national budget.³¹¹

Strong Hubs for Afghan Hope and Resilience

The objective of the \$72 million SHAHAR program is to create well-governed, fiscally sustainable Afghan municipalities capable of meeting the needs of a growing urban population. SHAHAR partners with municipalities to, among other things, deliver capacity-building for outreach and citizen

consultation, improved revenue forecasting and generation, and budget formulation and execution.³¹²

As of September 2019, 14 SHAHAR-supported municipalities reported a 12% increase in total revenues collected for Afghan fiscal year (FY) 1398 (December 2018–December 2019) compared to the same period of time in the prior year. The total revenue collected by these municipalities was the approximately equivalent of \$21.2 million.³¹³

Citizen’s Charter Afghanistan Project

In October 2018, USAID began explicitly contributing a portion of its ARTF funds to the Citizen’s Charter Afghanistan Project (CCAP) for the first time since the program began in 2016. Prior to that, other donors were funding CCAP through the ARTF. USAID requested that \$34 million of its \$300 million contribution to the World Bank’s ARTF be spent on CCAP. According to the Afghan government, CCAP is the centerpiece of the government’s national inclusive development strategy for rural and urban areas. CCAP works through Community Development Councils (CDC) to implement community projects. CCAP defines a suite of minimum basic services for each community covering health, education, and a choice of infrastructure investments (such as road access, electricity, or small-scale irrigation for rural communities).³¹⁴

Both the World Bank and Afghan government have proposed expanding CCAP in the event of peace.³¹⁵ As of December 2019, the Afghan government reported 12,565 CDCs have been elected across the country (out of a total 37,601 envisioned).³¹⁶

RULE OF LAW AND ANTICORRUPTION

Summary of Rule of Law and Anticorruption Programs

As shown in Table 3.15, the United States supports a number of active rule-of-law and anticorruption programs in Afghanistan.

Support to the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)

On September 19, State announced that the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) is “incapable of being a partner in the international effort to build a better future for the Afghan people.” As a result, State said the United States would stop providing funding to the MEC by the end of 2019.³¹⁷ USAID decided to end its funding to the MEC in December 2019 after concluding that the challenges faced by the MEC would not be overcome. Further, USAID said it saw no evidence that the Afghan government was institutionalizing the MEC, despite its commitments to do so.³¹⁸

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TABLE 3.15

RULE OF LAW AND ANTICORRUPTION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	4/18/2016	4/17/2021	\$68,163,468	\$28,472,147
Afghanistan's Measure for Accountability and Transparency (AMANAT)	8/23/2017	8/22/2022	31,986,588	6,279,720
Corrections System Support Program (OASIS CSSP) Option Year 2*	6/1/2019	5/31/2022	14,703,987	3,292,947
Justice Sector Support Program OASIS Contract*	8/28/2017	8/28/2022	34,112,566	21,410,179
Continuing Professional Development Support (CPDS)*	2/6/2018	4/6/2020	7,938,401	7,938,401
Delegated Cooperation Agreement (DCAR) with the Department for International Development (DFID) for Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)	5/19/2015	12/31/2019	2,883,000	2,883,000

*Disbursements as of 12/18/2019.

Source: State, INL, response to SIGAR data call, 12/18/2019; USAID, response to SIGAR data call, 1/13/2020.

Afghanistan's Measure for Accountability and Transparency (AMANAT)

In August 2017, USAID awarded the contract for the \$32 million Afghanistan's Measure for Accountability and Transparency (AMANAT) program to support the Afghan government's efforts to reduce and prevent corruption in government public services.³¹⁹ According to USAID, AMANAT supports select Afghan government institutions with technical assistance to plan for and implement recommended procedural reforms.³²⁰

Over the past year, AMANAT has provided training to the Supreme Audit Office (SAO) to help enable the SAO in conducting professional audits.³²¹ Recently, the World Bank told donors that only 44 of the SAO's nearly 200 auditors have a twelfth grade education. Further, while the SAO is legally independent, the SAO has relied heavily on international firms to provide technical assistance to meet international standards for auditing World Bank projects.³²² In the wake of the World Bank's in-depth fiduciary review of the EQUIP II program (see pages 102–103 of this report), the World Bank appears to have lost confidence in the SAO's work. According to the World Bank, the SAO carried out the independent annual external audits of EQUIP II over the life of the project. Although these audits sometimes reported serious observations, the SAO always expressed an unqualified (that is, positive) audit opinion on the financial statements of EQUIP II.³²³

Assistance for the Development of Afghan Legal Access and Transparency (ADALAT)

In April 2016, USAID launched the \$68 million Assistance for the Development of Afghan Legal Access and Transparency (ADALAT) program. ADALAT aims to (1) increase the effectiveness and reach of the formal justice sector, (2) strengthen the linkages between the formal and traditional justice sectors, and (3) increase "citizen demand for quality

legal services.³²⁴ ADALAT collaborates with the Ministry of Justice (MOJ) Department of the Huquq (“rights”). Huquq offices provide citizens the opportunity to settle civil cases within the formal system before beginning a court case.³²⁵ ADALAT’s efforts to increase demand for quality legal services includes providing grants to (1) civil-society organizations to promote legal awareness and legal rights, and (2) private universities to prepare future “practical problem-solvers” within formal and traditional dispute resolution institutions.³²⁶

SIGAR SPECIAL PROJECT

Based on Department of Justice concerns about the slow implementation of the Case Management System (CMS), SIGAR issued a review this quarter that sought to determine whether: (1) case files input into CMS by the Attorney General’s Office were complete; (2) seized and forfeited assets are being safeguarded and tracked in CMS; and (3) progress is being made implementing CMS nationwide.

This quarter, SIGAR found that mandatory fields were complete for 20 of the 25 cases reviewed, while five to seven of the eight mandatory fields were blank in the other five cases. SIGAR also reviewed 87 closed cases processed by the Attorney General’s Office that involved seized or forfeited cash and drugs valued at about \$1.75 million, plus a number of other assets to include weapons and vehicles whose value could not be determined. The review found that there was no information in CMS tracking the location or disposition of these assets, and that the Justice Attaché was unaware of any safeguards that existed in the Afghan government to prevent the seized and forfeited assets from being stolen.

Justice Sector Support Program (JSSP)

State’s Justice Sector Support Program is the largest rule-of-law program in Afghanistan. JSSP was established in 2005 to provide capacity-building support to the Afghan justice system through training, mentoring, and advisory services. The current JSSP contract began in August 2017 and has an estimated cost of \$34 million. The previous JSSP contract, which began in 2010, cost \$280 million. JSSP provides technical assistance to Afghan justice-sector institutions to: (1) build the capacity of justice institutions to be professional, transparent, and accountable; (2) assist the development of statutes that are clearly drafted, constitutional, and the product of effective, consultative drafting processes; and (3) support the case-management system so that Afghan justice institutions work in a harmonized and interlinked manner and resolve cases in a transparent and legally sufficient manner.³²⁷

JSSP advises various Afghan government offices on how to use its Case Management System (CMS). CMS is an online database that tracks the status of criminal cases in Afghanistan, across all criminal justice institutions, from the moment a case is initiated to the end of a convicted criminal’s confinement.³²⁸ As of November 31, 2019, the CMS had recorded 497,100 criminal cases and 100,077 civil cases.³²⁹

In a November 2019 audit, SIGAR heard from Attorney General’s Office (AGO) that it has instructed central and provincial AGO offices since May 2016 not to process any cases without recording them in CMS. Despite this progress, SIGAR found that different Afghan agencies displayed varying levels of CMS familiarity and utilization.³³⁰

Continuing Professional Development Support (CPDS)

In February 2018, State launched the \$8 million Continuing Professional Development Support (CPDS) program. According to State, CPDS responds to an urgent need by the Afghan government to train legal professionals on the newly revised penal code and build the organizational capacity of the nascent professional-training departments of Afghan legal institutions.³³¹

According to the recent reporting, CPDS has developed a data-collection tool to measure the change in workplace behavior of graduates from CPDS-funded training courses. CPDS evaluators are visiting participants at their place of work, interviewing and observing participants (and speaking to

supervisors when available), and evaluating documents in case files using the data-collection tool. According to CPDS, case-file documents should demonstrate whether prosecutors, defense counsel, and judges are applying key concepts and knowledge learned during the training courses.³³² As of the latest reporting, CPDS has collected data from 450 participants in 17 provinces.³³³

Corrections System Support Program (CSSP)

State's Corrections System Support Program (CSSP) provides mentoring and advising support, training assistance, leadership capacity-building initiatives, infrastructure assistance and nationwide case management for correctional facilities.³³⁴

Anticorruption

On International Anti-Corruption Day, U.S. Ambassador to Afghanistan, John Bass declared that the fight against corruption in Afghanistan has not received the attention, focus, and determination from Afghans as it deserves. Later, at the December 15 event, he said that corruption in Afghanistan is the most troubling and frustrating issue for U.S. elected leaders and threatens the continued financial support from the international community. He said Afghans too often refuse to accept responsibility for corruption and instead place the blame for corruption on someone else. He called for action before it is too late to salvage donor confidence.³³⁵ SIGAR observers reported that most of the audience (including President Ghani, the Supreme Court chief justice, speakers of parliament, and ministers) were silent following the Ambassador's speech.

At the same anticorruption event, President Ghani ordered the minister of interior to arrest General Zemarai Paikan, the former chief of the Afghanistan National Civil Order Police, who was convicted in December 2017 in absentia of murder and abuse of power and sentenced to five years and two months confinement. As of April 2019, CSTC-A told SIGAR that the Paikan case set a bad precedent as he was living comfortably and unconcerned about his apprehension despite being sentenced for serious felonies. SIGAR has not been able to determine whether the general was arrested following President Ghani's order.³³⁶

Anti-Corruption Justice Center

In May 2016, President Ghani announced the establishment of a specialized anticorruption court, the Anti-Corruption Justice Center (ACJC). At the ACJC, elements of the Major Crimes Task Force (MCTF) investigators, AGO prosecutors, and judges work to combat serious corruption. The ACJC's jurisdiction covers major corruption cases in any province involving senior officials (up to the deputy minister), generals, and colonels, or cases involving substantial monetary losses. Substantial losses are defined



Ambassador John R. Bass, on the occasion of International Anti-Corruption Day, warning senior Afghan government officials of the risks in not addressing impunity and curbing rampant corruption. (State Department photo)

The international community cannot care more about [corruption] than Afghans do. It will not care more than Afghans.

If you do not make progress addressing impunity and curbing rampant corruption, you will not hear my government, and other governments, speaking louder and more urgently about this issue.

You will hear silence. And Afghanistan will receive much less support.

—U.S. Ambassador to Afghanistan,
John Bass

Afghan perceptions of corruption

According to the Asia Foundation's survey, 81.5% of Afghan respondents in 2019 said corruption is a "major problem" in Afghanistan, the same as 2018. When it comes to corruption being a major problem in the respondent's daily life, 67.9% agreed this was the case (2.7% lower than the response in 2018). Overall, 91% of respondents believe corruption is a problem in their daily lives, down from 93% who said so in 2018.

Source: The Asia Foundation, Afghanistan in 2018: A Survey of the Afghan People, 12/4/2018, p. 5; The Asia Foundation, A Survey of the Afghan People: Afghanistan in 2019, 12/2/2019, pp. 142–144.

as a minimum of five million afghani—approximately \$73,000—in cases of bribes, money laundering, selling of historical or cultural relics, illegal mining, and appropriation of Afghan government property; or a minimum of 10 million afghani—approximately \$146,000—in cases of embezzlement.³³⁷

According to the UN Secretary-General, there was no significant progress this quarter in executing the 127 ACJC arrest warrants and summonses issued before the Geneva Ministerial Conference on Afghanistan of November 2018.³³⁸ As SIGAR reported in a November 2019 audit, the Afghan government executed only 14 of the 48 warrants, and only 41 of the 79 summonses resulted in individuals appearing before the ACJC.³³⁹

On January 15, 2020, the ACJC appellate court reduced the sentences of the former IEC and ECC election commissioners from five years each to two and a half years. The commissioners were found guilty of improperly modifying the vote results in the 2018 parliamentary election.³⁴⁰

In November, the Afghan government issued its Joint Action Plan for Improving Detection and Prosecution of Corruption Cases. According to the authors, this plan responds to problems such as the delays in serving summonses and arrest warrants for corruption cases.³⁴¹ The action plan calls for the MOI to develop an operational plan to fully implement the outstanding summonses and warrants and report on its progress.³⁴²

Afghanistan Security Forces

According to CSTC-A, the largest area of corruption (in monetary terms) in the Afghan security forces remains fuel-related. CSTC-A also observed that other supplies it provides the Afghan security forces are also subject to theft, fraud, bribery, extortion, and embezzlement.³⁴³

In previous reporting, CSTC-A highlighted the personal interest shown by the ministers of defense and interior in removing corrupt actors from their respective ministries.³⁴⁴ While CSTC-A said the overall trend for removing corrupt actors over the past year has been positive, this quarter CSTC-A saw a noticeable decrease in removals in the period leading up to the presidential election. CSTC-A believes the slowdown is due to MOD and MOI officials waiting for the election results before removing influential corrupt actors who are connected to national political leaders. CSTC-A hopes that MOD and MOI will resume removing corrupt officials once a new government is established.³⁴⁵

When asked to describe any specific or significant anti- or countercorruption activities taken by MOD or MOI senior leaders this quarter that CSTC-A attributes to U.S. train, advise, and assist efforts, CSTC-A responded that they observed the following:³⁴⁶

- Improvements were made to the MOD Inspector General (MOD IG) professional education with the initiation of a new basic IG course and plans for additional basic and advanced courses in 2020.

SIGAR AUDIT

In November, SIGAR released a Congressionally directed update of its 2018 assessment on Afghan government's progress toward achieving anticorruption reforms. SIGAR found that the Afghan government has made progress in meeting its anticorruption strategy benchmarks since May 2018. However, serious challenges remain to fighting corruption. Without the political will to address these challenges, including resource shortfalls at anticorruption institutions, the seeming impunity of powerful individuals, and declining activity at the corruption courts, transformative change will remain elusive.

- An MOD working group was established to meet monthly to discuss and coordinate cases and persons of interest, discuss challenges, and develop solutions to combat corruption. According to CSTC-A, it is abundantly clear that the new working group is paying off, as there was a lively discussion resulting in both coordination and the call for action on processing cases and jurisdictional issues.

Among the MOD and MOI elements tasked with reducing corruption, CSTC-A highlighted the work of MOD IG for uncovering issues at the Afghan National Army Recruiting Command (ANAREC). Following an MOD IG inspection of this command, the minister of defense ordered the MOD Criminal Investigation Directorate (MOD CID) to investigate alleged criminal activities of central- and provincial-level leadership.³⁴⁷

The MOD appears to see the MOD CID (newly established in June 2019) as the principal countercorruption mechanism for the MOD, CSTC-A said.³⁴⁸ According to CSTC-A, the MOD CID is an independent entity, as it reports directly to the defense minister and does not fall under the chain of command of corps commanders.³⁴⁹ As of November 2019, the MOD CID reported that it was investigating 59 cases, with most (20) related to neglect of duty. Cases the MOD CID considered important that were recently referred to Afghan judicial authorities included a murder, a missing weapon, suspected connection to the enemy, and stealing and selling military boots.³⁵⁰

COUNTERNARCOTICS

Ministry of Counter Narcotics Dissolved

President Ashraf Ghani issued a presidential decree in January 2019 dissolving the Ministry of Counter Narcotics (MCN) and establishing a committee to oversee the transition of the MCN's duties to other ministries.³⁵¹ State did not provide any information on why the Afghan government chose to dissolve the MCN.³⁵² This quarter, the State Department reported that MCN dissolution is complete and that former MCN employees have been transferred to other Afghan government entities. Two hundred and twenty authorized positions were transferred to the MOI's Counter Narcotics Police of Afghanistan's (CNPA) National Interdiction Unit (NIU); 47 to the Ministry of Public Health; and 50 to the Ministry of Agriculture, Irrigation, and Livestock. Additionally, a presidential decree in June 2019, based on the recommendation of the Attorney General's Office (AGO) stipulated that the MCN facilities should be transferred to the AGO, but State said the fate of the MCN facilities is not yet finalized.³⁵³

This quarter, the State Department reported that its Bureau of International Narcotics and Law Enforcement Affairs (INL) operates under

Counternarcotics Strategy Update

On September 17, 2018, the Senate Caucus on International Narcotics Control requested that SIGAR conduct a review of the U.S. government's current counternarcotics efforts in Afghanistan. As part of that review, the caucus asked SIGAR to determine the status of the Department of State-led interagency *U.S. Counternarcotics Strategy for Afghanistan* and State's revision of, or plans to revise, this strategy. SIGAR found that State has not revised, and has no plans to revise, the 2012 *U.S. Counternarcotics Strategy for Afghanistan*. State officials told SIGAR that the department now follows the administration's August 2017 *Strategy in Afghanistan and South Asia* (South Asia strategy). Those officials also stated that the South Asia strategy serves as overall guidance for U.S. strategic priorities in Afghanistan and counternarcotics efforts. SIGAR has been unable to obtain any South Asia strategy documents, but reviewed President Trump's speech concerning the strategy. In the speech, President Trump did not mention narcotics. More information on SIGAR's ongoing review of the counternarcotics strategy is available in the Oversight section on p. 20.

the U.S. 2017 South Asia Strategy, not the 2012 Counternarcotics Strategy (CN) created with the now-defunct MCN.³⁵⁴ State INL said it was not able to provide information about how the South Asia Strategy differs from the 2012 CN Strategy.³⁵⁵ Afghan government officials informed SIGAR that the MOI will now review and prepare an updated counternarcotics plan.³⁵⁶

Finally, the annual opium surveys previously conducted by the MCN and the United Nations Office on Drugs and Crime (UNODC) will henceforth be done in partnership between the UNODC and the Afghanistan National Statistics and Information Authority.³⁵⁷ UNODC has yet to release its 2019 survey, but based on UNODC's 2018 report, Afghan farmers devoted more land to opium-poppy cultivation in 2017 than at any time since the UNODC began monitoring. In 2018, opium-poppy cultivation declined somewhat due to drought, but was still the second highest year on record.³⁵⁸



Members of the National Interdiction Unit (NIU) attend a ceremony at the U.S. Embassy honoring their fallen and wounded colleagues. (State Department photo)

Afghan Counter Narcotics Police Organization and Funding

The State Department's INL provides support to specialized units within the Counter Narcotics Police of Afghanistan (CNPA).³⁵⁹ The CNPA leads Afghan law-enforcement personnel in counternarcotics efforts. The CNPA, authorized at 2,632 personnel, are located in all 34 provinces and comprise regular police as well as specialized units. Specialized units include three major components including the U.S.-supported National Interdiction Unit (NIU) and Sensitive Investigative Unit (SIU), and the UK-supported Intelligence and Investigation Unit (IIU).³⁶⁰ Additionally, the U.S.-supported Technical Investigative Unit (TIU) provides support to these components.³⁶¹

This quarter, DEA Acting Administrator Uttam Dhillon and Ambassador John Bass presented the DEA Purple Heart Award to eight DEA-trained officers killed and five wounded in a terrorist attack on Aug. 6, 2019, in Kabul. Another officer honored was killed and one wounded during a firefight with Taliban-affiliated drug traffickers on Jan. 9, 2019. In a press release, the DEA said the fallen and injured officers worked closely with the DEA on important investigations that resulted in the seizure of tons of drugs and chemicals. They dismantled laboratories and destroyed drug trafficking organizations closely tied to terrorist acts.³⁶²

The NIU conducts interdiction operations and seizures, serves arrest warrants, and executes search warrants in high-threat environments. The NIU receives mentoring from DEA and NATO Special Operations Component Command-Afghanistan, including U.S. Special Forces. The NIU typically maintains forward-based personnel in Kandahar, Kunduz, and Herat.³⁶³

The SIU's mission is to identify significant drug-trafficking organizations operating in Afghanistan and dismantle them through the Afghan criminal-justice system. The SIU receives mentoring from the DEA and consists of handpicked personnel who are thoroughly vetted.³⁶⁴ The SIU also has four officers responsible for administrative management of court orders

obtained by SIU investigators to conduct Afghan judicially authorized wire intercepts.³⁶⁵

The Technical Investigative Unit (TIU) is an individual component of the CNPA that consists of 100 translators who work within the Judicial Wire Intercept Platform (JWIP). The JWIP is a State-funded project to provide technical systems associated with the wiretap program and is executed by DEA through an interagency agreement with State. JWIP supports DEA operations as well as SIU and NIU investigations.³⁶⁶

Other Afghan law-enforcement elements such as the special operations General Command of Police Special Units execute high-risk arrests and operations including counterterrorism, counternarcotics, and counter-organized crime. The Afghan Uniform Police and Afghan Border Police (ABP) also participate in counternarcotics activities.³⁶⁷

The Special Mission Wing (SMW) is a rotary- and fixed-wing aircraft force that supports NIU missions as well as counterterrorism missions conducted by Afghan special security forces. The SMW is the only Afghan National Defense and Security Forces organization with night-vision, rotary-wing air assault, and fixed-wing intelligence-surveillance-reconnaissance capabilities. The SMW structure consists of assault squadrons in Kabul, Kandahar, and Mazar-e Sharif.³⁶⁸ Since its establishment in 2012, the SMW has been used to conduct counterterrorism and counternarcotics missions. In recent years, counterterrorism missions have dominated. Most recently, only 2% of the SMW's 341 unilateral sorties from October through November 2019 were in support of CN missions.³⁶⁹

U.S. Funding for Afghan Counternarcotics Elements

INL estimates that it funds approximately \$21 million per year in operations and maintenance for the NIU, SIU, and other INL programming. Costs directly attributable to NIU and SIU include \$6 million for two years of JWIP (not including other costs DEA may incur), \$9.6 million for two years of other interagency agreement support, and \$825,000 per year for NIU salary supplements. Salary supplements are used to attract and retain the most qualified and highly trained officers to the specialized units. A graduated scale of supplements is provided to all NIU officers, from police officers to unit commanders.³⁷⁰

Interdiction Results

Between October 1 and December 13, 2019, DOD reported that U.S.-supported interdiction activities by Afghan security forces included eight operations resulting in 11 detentions and seizures of 989 kilograms (kg) (2,176 lbs) of opium, 100 kg (220 lbs) of heroin, and 1,020 kg (2,244 lbs) of hashish. No precursor chemicals or methamphetamines were seized by

GOVERNANCE

TABLE 3.16

INTERDICTION RESULTS, FISCAL YEARS 2011–2020											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ¹	TOTAL
Number of Operations	624	669	518	333	270	196	157	198	138	8	3,111
Detainees	862	535	386	442	394	301	152	274	177	11	3,534
Hashish seized (kg)	182,213	183,776	37,826	19,088	24,785	123,063	227,327	42,842	145,976	1,020	987,916
Heroin seized (kg)	10,982	3,441	2,489	3,056	2,859	3,532	1,975	3,242	3,315	100	34,991
Morphine seized (kg)	18,040	10,042	11,067	5,925	505	13,041	106,369	10,127	1,759	–	170,950
Opium seized (kg)	98,327	70,814	41,350	38,379	27,600	10,487	24,263	23,180	13,612	989	349,001
Precursor chemicals seized (kg)	122,150	130,846	36,250	53,184	234,981	42,314	89,878	22,863	81,182	–	813,648
Methamphetamine ² (kg)	50	N/A	N/A	N/A	N/A	9	30	86	734	–	909
Amphetamine (kg)	N/A	N/A	N/A	N/A	N/A	17	N/A	N/A	1,990	–	2,007

Note: The significant difference in precursor chemicals total seizures between 2014 and 2015 is due to a 12/22/2014 seizure of 135,000 kg of precursor chemicals.

¹ Results for period 10/1/2019–12/13/2019.

² In crystal or powder form.

Source: DOD(CN), response to SIGAR data call, 12/18/2019.

Afghan security forces during this period.³⁷¹ Table 3.16 contains interdiction results provided by DOD.

Despite the strong performance of Afghan specialized units and their improved capabilities over the years, the number of drug seizures and arrests they conduct have minimal impact on the country's opium-poppy cultivation and production. For example, total opium seizures over the years since FY 2008 are equivalent to approximately 8% of the country's 6,400 metric tons of opium production for the single year of 2018, as reported by UNODC.³⁷²

DOD said the poor security situation continues to hinder the access of government forces in areas where the drug trade is concentrated, particularly in southern regions of the country where most of the opium is grown, and where drug products are transported, processed, and sold.³⁷³

Eradication Update

Governor-Led Eradication

State INL reported that the Governor-Led Eradication (GLE) program is transitioning from being managed by the MCN to the MOI, and that the CNPA will be the future implementer of independent Afghan eradication and GLE.³⁷⁴ Under the GLE program, which began in 2005, INL reimbursed provincial governors \$250 toward the eradication costs of every UNODC-verified hectare of eradicated poppy.³⁷⁵ Obligated funds for GLE amount to \$6.9 million since 2008, and the Administration has requested future funding for eradication in its most recent budget request.³⁷⁶ The dissolution of the MCN interrupted the planning and execution of eradication in 2019.³⁷⁷ This

quarter, INL reported that the MOI now has taken over eradication planning for spring 2020.³⁷⁸

Last quarter, INL informed SIGAR that its May 2015 opium-poppy eradication agreement with the MCN is no longer in force due to the dissolution of the MCN. Once a new Afghan administration is in place and MOI takes full charge of counternarcotics planning, INL said that the Afghan government and INL may consider implementing a new memorandum of understanding (MOU) on opium-poppy eradication.³⁷⁹ According to INL, because the CNPA recently took over eradication responsibilities, INL believes that the CNPA would likely agree to new eradication implementing instructions to include a follow-on MOU to continue the program, but that it is not yet possible to say what will happen during the upcoming season.³⁸⁰

REFUGEES AND INTERNAL DISPLACEMENT

According to State, on October 25, the Pakistan government formally extended the validity of Afghan citizen cards until December 31, 2019. Cardholders (of which there are approximately 878,000) are allowed to temporarily reside in Pakistan, but are not given refugee status or permanent residency.³⁸¹

Afghan Refugees

As of December 28, 2019, the UNHCR reported that 8,072 refugees have voluntarily returned to Afghanistan in 2019. The majority (6,062) of these refugee returns were from Pakistan.³⁸²

The voluntary repatriation of registered refugees in 2019 is low compared to previous years. According to State, the primary factors attracting refugees to return are the desire to reunite with families and relatives and employment opportunities in Afghanistan; the primary push factors are strict border-entry requirements and the loss of livelihoods in their hosting countries.³⁸³

Undocumented Afghan Migrant Returnees

As of December 7, the International Organization of Migration (IOM) reported that 451,073 undocumented Afghans returned from Iran and 19,140 undocumented Afghan migrants returned from Pakistan in 2019.³⁸⁴

According to State, the desire to return home to reunite with family and economic opportunities were the primary factors for migration to Afghanistan.³⁸⁵

Conflict-Induced Internal Displacement

Compared to the same period last year, the number of conflict-induced internally displaced persons recorded by the UN Office for the Coordination of Humanitarian Affairs (OCHA) in 2019 is 20% higher, perhaps reflecting

Refugees: persons who are outside their country of origin for reasons of feared persecution, conflict, generalized violence, or other circumstances that have seriously disturbed public order and, as a result, require international protection. According to the UNHCR, refugees have the right to safe asylum and should receive at least the same rights and basic help as any other foreigner who is a legal resident.

Migrants: persons who change his or her country of usual residence, irrespective of the reason for migration or legal status. According to the UN, there is no formal legal definition of an international migrant.

Source: United Nations, "Refugees and Migrants: Definitions," 2019; UNHCR, "Protecting Refugees: questions and answers," 2/2002.

an intensification of the conflict. As of December 18, conflicts in 2019 had induced 427,043 Afghans to flee their homes. The office recorded 356,297 displaced persons in the same period last year.³⁸⁶

WOMEN'S ADVANCEMENT

In July 2013, then-USAID Administrator Rajiv Shah described the Promote partnership in a public speech as “the largest investment USAID has ever made to advance women in development.”³⁸⁷ According to USAID, Promote aims to strengthen women’s participation in civil society, boost female participation in the economy, increase the number of women in decision-making positions within the Afghan government, and help women gain business and management skills.³⁸⁸ Table 3.17 show the current Promote programs.

According to USAID, of the 68,026 total Promote beneficiaries, 23,455 unique Promote beneficiaries have found employment. Of these, 1,619 have been hired by the Afghan government and 12,422 have secured permanent employment in the private sector. There are also 9,414 Promote beneficiaries holding private-sector internships.³⁸⁹

Following five years of implementation, Promote’s Women’s Leadership Development (WLD) program ended in October 2019.³⁹⁰ WLD aimed to contribute to Promote’s objective of creating a critical mass of women in mid- to upper-management levels in the economy, civil society, and government who would be prepared to take actions to improve the lives of girls and women at all levels.³⁹¹ To advance this objective in line with WLD’s contractual obligation to equip 18,000 women with “advanced skills, leadership acumen and self-confidence to compete successfully for high ranking positions,” WLD trained and graduated 20,801 students from its 12-week-long, more senior leadership course. (WLD had a second training course for literate women who had not yet completed secondary school.)³⁹² WLD intended the more senior leadership course to facilitate graduate entry to and advancement in decision-making positions in social, political, and economic sectors.³⁹³

The impacts of WLD’s training on contributing to a mid- to upper-management level critical mass are, however, difficult to determine even with the conclusion of the program. According to WLD in 2017, most trainees who secured jobs following graduation filled junior positions with the prospect of gaining a leadership position years in the future.³⁹⁴ The fact the program mostly targeted entry-level job candidates for its more senior-level leadership courses would make determining program impacts at mid- to upper-management levels impossible without a follow-on assessment years in the future.

Promote’s Women in the Economy (WIE) program recently helped fund a women-only passenger service. This project aims to help women learn

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TABLE 3.17

USAID GENDER PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Promote: Women in the Economy	7/1/2015	6/30/2020	\$71,571,543	\$56,032,942
Promote: Women's Leadership Development	9/23/2014	9/22/2019	41,959,377	41,352,545
Promote: Women in Government	4/21/2015	4/20/2020	37,997,644	35,172,327
Promote: Women's Rights Groups and Coalitions	9/2/2015	9/1/2020	29,534,401	21,854,213
Promote: Rolling Baseline and End-line Survey	2/21/2017	10/20/2020	7,577,638	5,784,730
Combating Human Trafficking in Afghanistan	1/11/2016	8/31/2020	7,098,717	6,962,858
Gender Based Violence (GBV)	7/9/2015	7/8/2020	6,667,272	6,667,272
Countering Trafficking in Persons (CTIP) II - Empowerment and Advocacy to Prevent Trafficking	1/10/2018	1/9/2020	1,483,950	1,298,950
Promote: Scholarships	3/4/2015	3/3/2020	1,247,522	1,247,522

Source: USAID, response to SIGAR data call, 1/13/2020.

how to drive, get their driving license, and then get a full-time job as mini-van drivers. As of August 2019, there are four female drivers. The shuttle service is currently providing free transport for university students and staff in Balkh Province. According to WIE, the beneficiaries are satisfied with this initiative.³⁹⁵

WIE also supported a 10-episode television series, *Roya*, that aimed to encourage women to want to work and encourage families to support their female family members who desire to work outside the house. To determine impact, WIE commissioned focus-group surveys of approximately 150 equally apportioned male and female respondents from Afghanistan's major urban areas. Almost all respondents reportedly agreed that the show reflected real life in Afghanistan. Female respondents reported that the show gave them specific strategies to use in their own lives when faced with obstacles like those faced by women in the show. Male participants appreciated the use of comedy to address societal issues and benefited from watching a female experience. Nearly all of the focus group respondents (97%) supported women working outside the home, significantly more than the 76% of randomly selected respondents to the Asia Foundation's 2019 survey who agreed with this statement.³⁹⁶

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ECONOMIC AND SOCIAL DEVELOPMENT



KEY ISSUES & EVENTS

Afghanistan will require at least \$4.6 billion, and perhaps as much as \$8.2 billion, of donor funding, per year, through 2024, the World Bank said this quarter.

Some 11.3 million Afghans face acute food insecurity in the coming months.

After several years of strong performance, the growth rate of the Afghan government's domestic revenues has slowed significantly.

An Afghan civil society organization alleged that at least 165, and possibly more than 546, boys from six schools in Logar Province were sexually abused by teachers, older students, authority figures, and extended family members.

Afghanistan will require at least \$4.6 billion, and perhaps as much as \$8.2 billion, of donor funding, per year, through 2024, according to a World Bank report released this quarter.³⁹⁷ Even in a best-case scenario in which the Afghan government's organically generated revenues doubled to \$5 billion, nearly half of all public expenditures would need to be financed by donors, the Bank said.³⁹⁸ The Bank's analysis assumes constant per capita spending on government services, increased operations and maintenance expenditures on infrastructure, and a \$1.6 billion reduction in security-sector costs.³⁹⁹ A significant reduction in grants would "force very difficult trade-offs," according to the Bank.⁴⁰⁰

On November 27, 2019, President Ashraf Ghani reportedly canceled two large-scale extractives contracts to develop a copper mine in Sar-e Pul and Balkh Provinces and a gold mine in Badakhshan Province.⁴⁰¹ The Afghan government had the right to terminate the contracts if the awardees—the Afghan Gold and Minerals Company (AGMC) and the Turkish Afghan Mining Company (TAMC)—violated a material contract obligation, or if exploration activities were delayed for a period of more than 12 months.⁴⁰² Both companies failed to post contractually required performance bonds

(issued to one party of a contract as a guarantee against the failure of the other party to meet its contractual obligations).⁴⁰³ However, in an interview with SIGAR, Brad Barnett, the CEO of CENTAR Ltd.—which partially owns AGMC and TAMC—said the contracts had not yet been canceled because the Afghan cabinet had not yet approved their cancellation.⁴⁰⁴ Neither company had initiated exploration activities as of October 2019, according to reporting from *Stars and Stripes*.⁴⁰⁵

Many Afghans remain hungry this quarter. The Integrated Food Security Phase Classification (IPC), on whose food-security analyses USAID relies, anticipated that 11.3 million people—or more than one-third of all Afghans—would face acute food insecurity between November 2019 and March 2020.⁴⁰⁶ Food-insecure households are those that either experience acute malnutrition due to food consumption gaps, or that are forced to deplete household assets in order to meet minimum needs.⁴⁰⁷ Christos Stylianides, the European Union’s Commissioner for Humanitarian Aid and Crisis Management commented, “The humanitarian outlook in Afghanistan is as bleak as ever.”⁴⁰⁸

A longstanding Afghan human rights issue led to controversy this quarter. An Afghan civil society organization shared allegations with the *New York Times* and the *Guardian* that at least 165, and possibly more than 546, boys from six schools in Logar Province were sexually abused by teachers, older students, authority figures, or extended family members.⁴⁰⁹ The organization, the Logar Youth, Social, and Civil Institution, said it had discovered more than 100 videos of abuse on a Facebook page.⁴¹⁰

After making the allegations public, Mohammed Musa (described as a lead social worker at the Institution) and another Logar activist, Ehsanullah Hamidi, were detained by Afghanistan’s intelligence agency, the National Directorate of Security (NDS), and coerced into confessing that their accusations were untrue.⁴¹¹ In a Twitter post, U.S. Ambassador to Afghanistan John Bass decried the NDS for “Soviet-style tactics.”⁴¹² Musa and Hamidi were subsequently released by the NDS, reportedly due to pressure from the U.S. and international human rights groups.⁴¹³ The practice of *bacha bazi*, or “boy play,” in which authority figures keep boys as sex slaves, is widespread in Afghanistan.⁴¹⁴ A SIGAR report released in January 2018 found that DOD was partnering with certain Afghan security force units credibly accused of being involved in child sexual assault.⁴¹⁵

U.S. SUPPORT FOR ECONOMIC AND SOCIAL DEVELOPMENT: THEORY, OBJECTIVES, AND FUNDING

Advancing the Afghan economy has long been a key U.S. objective. While the emphasis and intensity of specific policies and programs have changed over the past 16 years, the core belief and theory of change that a growing economy contributes to stability and security has remained

constant.⁴¹⁶ The U.S. government's current Integrated Country Strategy (ICS) for Afghanistan states that economic prosperity in Afghanistan depends upon the United States' ability to advance private-sector-led export growth and job creation, and to bolster gains in health, education, and women's empowerment.⁴¹⁷

The ICS is linked to USAID's Country Development Cooperation Strategy (CDCS) for Afghanistan.⁴¹⁸ The objectives of the CDCS are to:⁴¹⁹

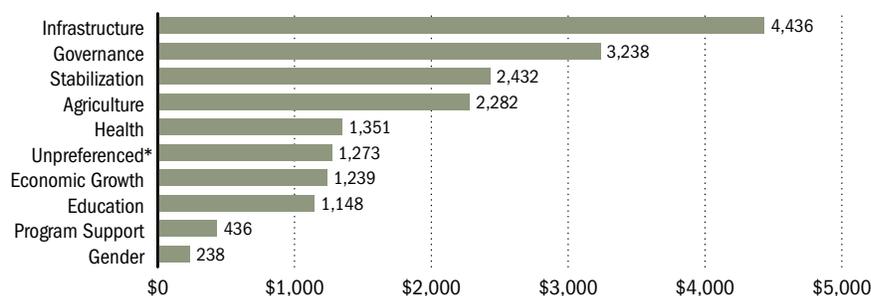
- accelerate private-sector-driven, export-led economic growth
- advance social gains in health, education, and gender equality
- increase the Afghan government's accountability to its citizens

Progress towards these objectives is likely to remain difficult. High levels of violence, episodic political uncertainty (most recently surrounding the outcome of the September 2019 presidential election), and a severe drought have kept Afghanistan's real GDP growth rate below 3% since 2014—the year in which U.S. and Coalition forces completed a phased drawdown.⁴²⁰ Since then, poverty has increased, some social-development indicators have stagnated, and the proportion of Afghans who perceive corruption as a problem in daily life has remained roughly the same.⁴²¹

As of December 31, 2019, the U.S. government had provided approximately \$34.5 billion to support governance and economic and social development in Afghanistan since 2002. Most of these funds—nearly \$20.5 billion—were appropriated to USAID's Economic Support Fund (ESF). Of this amount, \$19.6 billion has been obligated and \$17.0 billion has been disbursed.⁴²² Figure 3.44 shows USAID assistance by sector.

FIGURE 3.44

USAID DEVELOPMENT ASSISTANCE, CUMULATIVE DISBURSEMENTS, AS OF JANUARY 11, 2020 (\$ MILLIONS)



Note: USAID Mission-managed funds. Numbers are rounded. USAID gender programs managed by the agency's Office of Gender are presented as a separate category. Agriculture programs include Alternative Development. Infrastructure programs include power, roads, extractives, and programs that build health and education facilities. OFM activities (e.g. audits and pre-award assessments) included under Program Support funds.

*Unpreferenced funds are U.S. contributions to the ARTF that can be used for any ARTF-supported initiatives.

Source: SIGAR analysis of USAID, response to SIGAR data call, 1/11/2020; SIGAR analysis of World Bank, ARTF, Administrator's Report on Financial Status as of October 22, 2019, 1/3/2020.

Excluding Opium Economy Distorts Analysis of Afghanistan's Economic Performance

The IMF and the World Bank's economic analysis ignores the most important factor to Afghanistan's growth rate in recent years: the flourishing opium trade. Afghanistan's National Statistics and Information Authority (NSIA), which includes the opium economy in one version of its GDP figures, reported that when estimated opium production dropped by nearly 30% due to a supply surplus and a widespread drought in 2018, Afghanistan's economy contracted by 0.2%. That figure differs substantially from the NSIA's licit-only growth rate figure of 2.7%. Unlike the NSIA, neither the IMF nor the World Bank considers the narcotics economy in their GDP growth estimates.

By contrast, the NSIA reported that GDP growth including the opium economy in 2017 was 7.2%, due to a nearly 90% increase in opium production. Afghanistan's licit GDP growth rate in 2017 was 2.7%, according to the Bank and IMF.

The impact the narcotics economy can have on Afghanistan's economic growth rate is reflected by its size. According to the UNODC, the overall value of the opium economy in 2018 (between \$1.2 billion and \$2.2 billion) was equivalent to 6%–11% of the country's licit GDP. As has become typical for Afghanistan, the value of opiates available for export in that year (between \$1.1 billion and \$2.1 billion) was much larger than the combined value of all licit exports (\$875 million).

Source: NSIA, Afghanistan Statistical Yearbook 2017–2018, 8/2018, p. 110; World Bank, Afghanistan Development Update: Building Confidence Amid Uncertainty, 7/2019, p. 18; IMF, Fifth Review under the Extended Credit Facility Arrangement and Request for Modification of Performance Criteria, 5/15/2019, p. 24; SIGAR, Quarterly Report to the United States Congress, 1/30/2019, pp. 150, 152; UNODC, Afghanistan Opium Survey 2018: Cultivation and Production, 11/2018, pp. 5, 8; NSIA, "Growth-Rate-of-GDP," 6/10/2019; NSIA, Afghanistan Statistical Yearbook 2018–19, 7/2019, posted to the NSIA website 11/2019, ii; SIGAR, Quarterly Report to the United States Congress, 4/30/2019, p. 151; UNODC, Afghanistan Opium Survey 2017: Cultivation and Production, 11/2018, p. 40; UNODC, Afghanistan opium survey 2018: Challenges to sustainable development, peace and security, 7/2019, p. 24; World Bank, Afghanistan Development Update January 2020: Navigating a Sea of Uncertainty, 1/2020, p. 32.

Since counternarcotics is a crosscutting issue that depends on a variety of reconstruction activities, please see Appendix B for a consolidated list of counternarcotics reconstruction funding.

SIGAR EVALUATION REPORT

In September 2019, the House Oversight and Reform National Security Subcommittee (Majority) asked SIGAR to conduct an inquiry to ascertain whether any U.S.-funded capital assets provided to Afghanistan were either unused or improperly used. The evaluation is ongoing.

Data Reliability Issue: Shifting Labor Force Numbers

Donors like USAID and the World Bank use estimates for the number of Afghans entering the labor market every year to justify interventions aimed at reducing poverty and improving living standards. But such estimates vary, making it difficult to understand how much assistance, and what types of assistance, might be required.

In a May 2017 report on poverty in Afghanistan, the World Bank said that more than 400,000 Afghans were expected to enter the labor market every year for the foreseeable future. In a December 2019 report assessing Afghanistan's future grant financing needs, the Bank said that 300,000 Afghans were entering the labor force every year. While it is unclear what accounts for this difference, given population growth of 2.3% per year, it seems intuitively unlikely that fewer Afghans are entering the labor force today than in 2017.

Source: World Bank, Afghanistan Poverty Status Update: Progress at Risk, 5/2017, p. 7; World Bank, Financing Peace: Fiscal Challenges and Implications for a Post-Settlement Afghanistan, 12/5/2019, p. 9; USAID, Country Development Cooperation Strategy, 3/31/2019, p. 13.

ECONOMIC PROFILE

Afghanistan remains poor, war-ridden, and heavily aid-dependent. Despite consistent and intensive donor efforts to make the country more economically self-reliant, grants totaling \$8.5 billion per year currently finance approximately 75% of total public expenditures.⁴²³ While the overall economic goal of the current U.S. strategy is to transition Afghanistan from an assistance recipient to an enduring economic partner, there is a sense in which the reach, scale, and nature of U.S. assistance has made the country's state apparatus, as currently constructed, more dependent, rather than less.⁴²⁴ In its *2019 High-Risk List*, SIGAR identified the sustainability of U.S.-funded institutions, programs, and property provided in Afghanistan as a crosscutting issue affecting every area of reconstruction in Afghanistan.⁴²⁵

Although Afghanistan's real, licit GDP growth rate averaged just under 10% over the first decade of reconstruction as donor funds flooded into the country, growth dropped substantially as the Afghan government assumed responsibility for the ongoing fight against the Taliban insurgency.⁴²⁶ In 2018, GDP grew at the lowest rate (1.8%, according to the World Bank) in several years, falling from the 2017 figure of 2.7% and interrupting what had been a slow but steady licit economic recovery.⁴²⁷

One consequence of slower growth is that approximately 55% of Afghans are living below the poverty line today, compared to 39% in 2012, according to the Bank.⁴²⁸ While the World Bank estimates that the GDP grew by 2.9% in 2019, this will not be enough to materially improve living standards, with Afghanistan's population growing by an estimated 2.3% per year.⁴²⁹ Living standards are often defined in GDP per capita terms, meaning that if the population were growing at a rate just below GDP, living standards would not markedly improve. Currently, Afghanistan has the lowest GDP per capita in "the immediate region," according to the IMF.⁴³⁰

In contrast to Afghanistan's relatively low economic growth rate, the South Asian economy as a whole was expected to grow by 7% in 2019, the Bank said.⁴³¹ For Afghanistan, hopes for higher future growth depend heavily on improvements to security and political stability, and continued foreign assistance, according to the IMF.⁴³² But improvement in these areas is uncertain: the Afghan government's control of territory deteriorated over the last several years for which data is available, the outcome of the latest Afghan presidential election remains unresolved months after the final vote was cast, and levels of future grant support to Afghanistan are unclear.⁴³³ As the IMF said in December 2019, "Risks to the [growth] outlook are tilted to the downside."⁴³⁴



Afghan business owners discuss their products with a potential buyer at the USAID-sponsored Passage to Prosperity International Trade and Investment Show. (USEK photo)

Afghanistan's Licit Trade Deficit Remains Stubbornly High

Afghanistan's large, licit trade deficit has not budged despite USAID's strategic focus on exports to spur economic growth.⁴³⁵ As USAID was developing its current strategy in December 2017, the agency told SIGAR it expected to "bridge [Afghanistan's] massive trade deficit" through efforts occurring over "the next three to five years."⁴³⁶ This thinking is proving to be overly optimistic: in afghani terms, the country's trade deficit remained virtually the same (decreasing by just 0.2%) through the first three quarters of 2019, compared to the same period in 2018 (following an 8.8% *increase* from 2017 to 2018).⁴³⁷ (The afghani (AFN) has depreciated against the U.S. dollar (USD) over the last several years, meaning that export growth calculations could overstate a decrease in export growth if USD values are not first converted to AFN.)

In response to a draft of this report, USAID distanced itself from its December 2017 statement by saying, "The elimination of the trade deficit is beyond USAID's manageable strategic interest."⁴³⁸ USAID added that while increased exports could reduce Afghanistan's trade deficit, growth in exports may not be large enough to eliminate or "bridge" it.⁴³⁹ While it is true that USAID's current strategy reflects the less aggressive hypothesis that the agency's efforts will simply "*decrease* the country's trade deficit" [emphasis added], World Bank projections show that this thinking, too, may be overly optimistic.⁴⁴⁰ The Bank expected the deficit to be equivalent to 32.3% of GDP by 2022, essentially unchanged from December 2017.⁴⁴¹ Available trade data from 2019 showed that, at the end of the third quarter, the deficit was \$4.5 billion, while cumulative exports in 2019 stood at just \$534.6 million.⁴⁴²



Tray of saffron awaits inspection in Herat. (USAID photo)

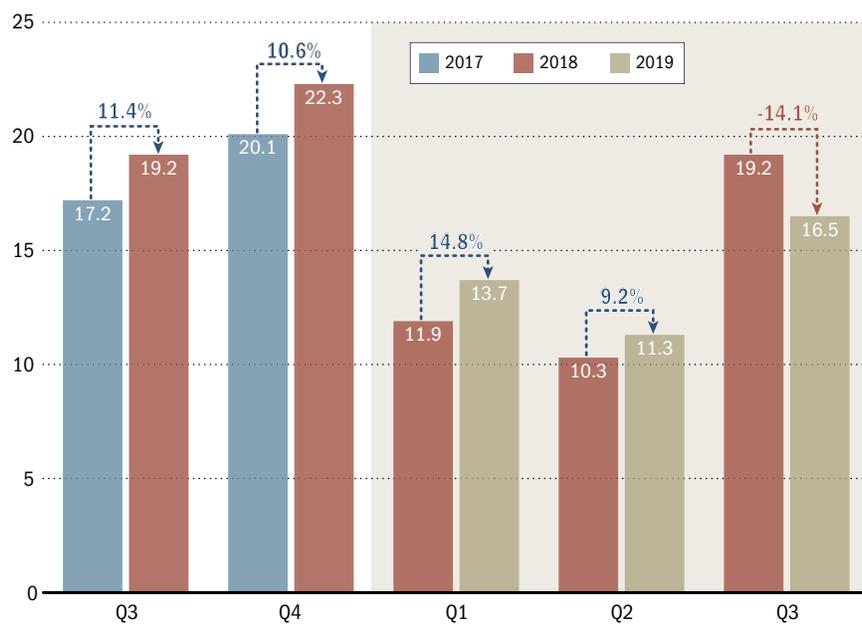
Also in response to a draft of this report, USAID claimed that its “shift to the new export strategy is incomplete, and its consequences can be better evaluated after its completion.”⁴⁴³ However, in a publicly available fact sheet presented on its website, USAID continues to claim that a “major highlight” of its support for export-driven economic growth is: “Afghanistan is showing strong progress with exports of \$875 million in 2018.”⁴⁴⁴

In early 2019, USAID was celebrating strong licit export growth through 2018 as a sign of economic progress.⁴⁴⁵ However, export growth began to moderate in the third quarter of 2018, and has continued more modestly in 2019, even in afghani terms (trade data on the NSIA website is denominated in U.S. dollars).⁴⁴⁶ Exports contracted by 14.1% in the third quarter of 2019, compared to the third quarter of 2018.⁴⁴⁷ Overall, exports in 2019 have been stagnant: through the first three quarters of 2019, cumulative exports were equivalent to the same period in 2018.⁴⁴⁸ Figure 3.45 presents recent quarter-to-quarter export growth.

The IMF attributes Afghanistan’s poor licit-trade situation to persistent conflict, the country’s landlocked geography (which significantly raises the costs of trade, relative to countries with direct access to commercial sea routes), low levels of infrastructure and institutional capacity, and limited access to electricity and finance.⁴⁴⁹ However, these obstacles do not preclude Afghanistan from exporting large amounts of opium, which dwarfs the country’s licit exports.⁴⁵⁰ Curiously, although the IMF listed opium as Afghanistan’s top export in a table of selected economic indicators in a May 2018 update on the country’s macroeconomic performance, it removed opium from lists of Afghanistan’s main exports in subsequent updates dated November 2018 and May 2019.⁴⁵¹ In 2018, the value of opiates available for export was between \$1.1 billion and \$2.1 billion, according to the UNODC—far larger than the combined value of all licit exports (\$875 million).⁴⁵²

FIGURE 3.45

AFGHANISTAN'S EXPORT PERFORMANCE, 2017-2019 (AFN BILLIONS)



Note: Afghanistan's National Statistics and Information Authority (NSIA) denominates its quarterly trade data in U.S. dollars. The afghani (AFN) has depreciated against the U.S. dollar (USD) over the last several years, meaning that export growth calculations could overstate a decrease in export growth if USD values are not first converted to AFN. SIGAR therefore converted quarterly merchandise export totals to afghani (AFN). To do so, SIGAR used the average AFN/USD exchange rate for each quarter, calculated from monthly average exchange rates posted by Afghanistan's central bank.

Source: SIGAR analysis of NSIA quarterly and annual export data, 2017-2019, accessed 12/10/2019, 9/22/2019, 6/21/2019, 3/23/2019, 12/20/2018, and 9/25/2018.

Fiscal Update: Revenue Gains Stalled

Afghanistan's **sustainable domestic revenues** contracted by 2.6% over the first 11 months of FY 1398 (December 22, 2018, to December 21, 2019), year-on-year, SIGAR analysis of Afghan government accounting data showed.⁴⁵³ As SIGAR emphasized in its *2019 High-Risk List*, strengthening Afghanistan's fiscal capacity will be key to sustaining the infrastructure and institutions that will be vital to economic growth as the Afghan government is asked to take greater responsibility for its own development in the coming years.⁴⁵⁴

The IMF is uncertain how long revenue growth will remain slow (Figure 3.46 shows cumulative sustainable revenue gains through Month 11 of FY 1398).⁴⁵⁵ Signaling potential concerns from Afghanistan's Ministry of Finance, the MOF requested an early tax payment of more than \$10 million from state-owned Bank-e Millie Afghan (BMA) in order to shore up funds intended for "major national projects," TOLONews reported this quarter.⁴⁵⁶ An MOF spokesman said the Afghan government was entitled to the funds because BMA is a state-owned bank.⁴⁵⁷ However, according to TOLONews,

Sustainable Domestic Revenues:

According to Afghanistan Ministry of Finance officials, these are revenues like customs, taxes, and nontax fees. Multilateral institutions such as the World Bank and the IMF use reports of these revenues to judge the Afghan government's fiscal performance.

One-Off Domestic Revenues: These are nonrecurring revenues arising from one-time transfers of funds, such as central bank profits, to the Afghan government. The IMF excludes central bank transfers from its definition of domestic revenues for the purpose of monitoring Afghanistan's fiscal performance under its Extended Credit Facility arrangement with the government.

Source: SIGAR, communications with MOF officials, 8/21/2017; SIGAR, communications with IMF officials, 9/7/2017.

the MOF said funds collected from BMA would count towards the bank's taxes in future years, inviting questions about why the funds were collected now.⁴⁵⁸

Should public expenditure needs stay constant, rise in line with population growth, or rise due to other factors (such as the need to consolidate and sustain an intra-Afghan peace), poorer revenue performance would mean that donors would need to foot more of Afghanistan's reconstruction bill, according to World Bank analysis published this quarter.⁴⁵⁹ The World Bank said that, in a mid-term, downside scenario in which revenues drop to a similar extent observed during the heavily contested 2014 presidential elections (i.e. collapse to the equivalent of approximately 8.5% of GDP), donors may have to provide between \$6.4 billion and \$8.2 billion to supplement domestic financing.⁴⁶⁰ That would be a little less than the \$8.5 billion in grant assistance donors currently provide per year, but the Bank's analysis also assumes that security expenditures will decrease by \$1.6 billion by 2024, which may not occur.⁴⁶¹

Lower growth through month 11 was driven in large part by a sharp decline in "Other Revenue," a catchall category for revenues not listed elsewhere in the MOF's chart of accounts.⁴⁶² Within this category, revenues from Afghan government-owned enterprises dropped by AFN 4.9 billion (\$61.4 million)—or 77.3%.⁴⁶³ A second factor was an 8.0% decline in administrative fees, which fell by AFN 2.1 billion (\$26.5 million).⁴⁶⁴ The Afghan government earns administrative fees in exchange for certain services it provides, such as issuing national identity cards and visas.⁴⁶⁵ A 47.4% drop in overflight revenues accounted for the majority of the overall decline in the administrative fees category. Overflight revenues, earned when commercial aircraft transit through Afghan airspace, decreased by AFN 2.0 billion (\$25.3 million) during the period.⁴⁶⁶ Pakistan closed its airspace from February 27, 2019, to July 16, 2019, which likely contributed to the decline.⁴⁶⁷

Figure 3.46 compares monthly sustainable domestic revenue collection from FY 1397 (December 22, 2017 to December 21, 2018) with monthly revenue collection from FY 1398. While aggregate revenues grew at the higher rate of 4.3% over the first 11 months of the year, the increase was driven by a large (AFN 9.0 billion, or \$113.8 million) transfer of central bank profits rather than revenue categories generally considered to be more sustainable.⁴⁶⁸ Outpacing sustainable (but not aggregate) domestic revenues, expenditures grew by 10.4%.⁴⁶⁹ Figure 3.47 shows cumulative spending increases by month through month 11.

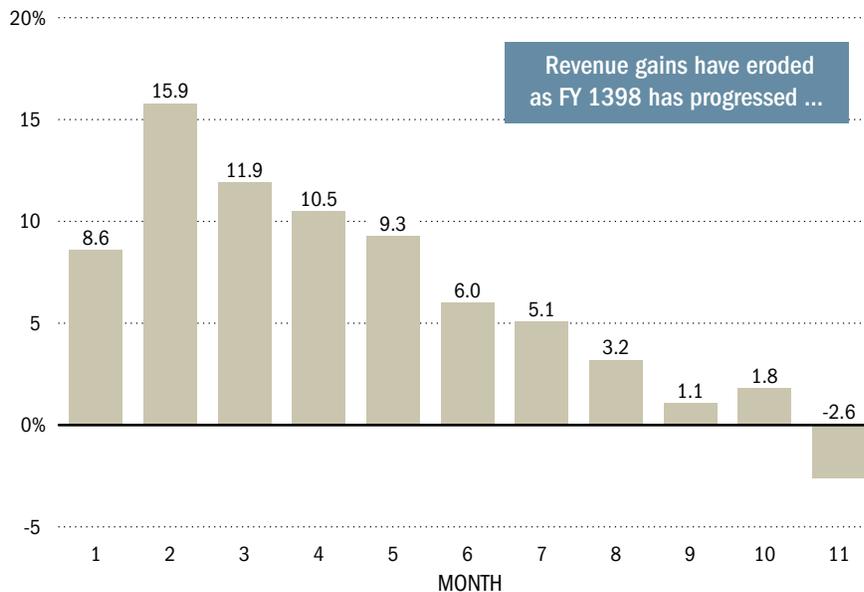
ECONOMIC GROWTH

Through its current strategy, USAID seeks to accelerate private-sector-driven, export-led growth in Afghanistan.⁴⁷⁰ In support of this objective, the agency's Office of Economic Growth aims to:⁴⁷¹

- strengthen trade connections between Afghanistan and its neighbors

FIGURE 3.46

CUMULATIVE SUSTAINABLE REVENUE GAINS (FY 1397-1398) VERSUS SAME MONTH PRIOR YEAR

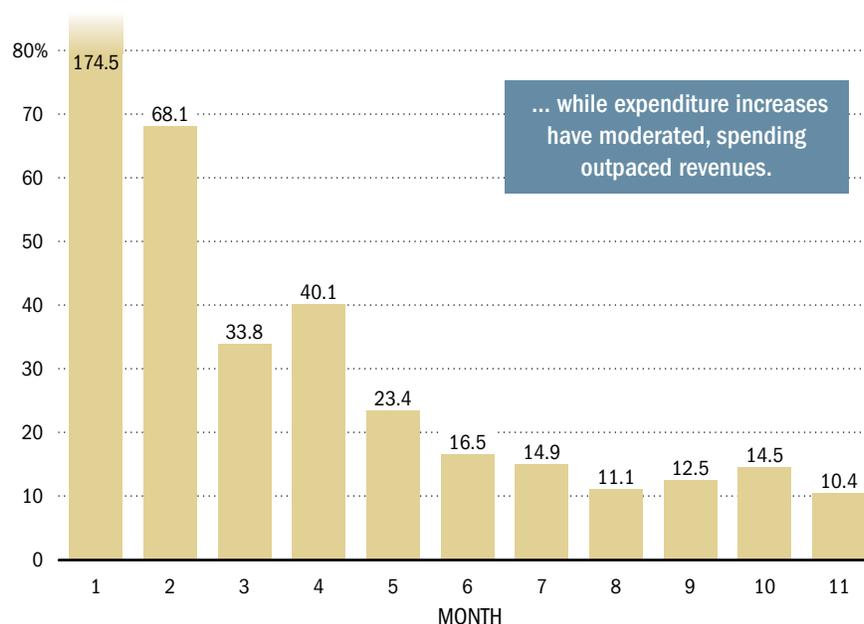


Note: During the timeframe within which SIGAR conducted the analysis for this report, Afghanistan's Ministry of Finance provided AFMIS data for only the fourth quarter of FY 1398. Consequently, the first nine months of revenues were calculated using AFMIS data exported on 10/8/2019. Because the Afghan government sometimes retroactively revises its accounting data, growth figures above may differ from those calculated using a single comprehensive export from AFMIS that includes all data from FY 1398. Last quarter, a similar graphic presented a cumulative 4.6% uptick in revenues through month 7. That figure is corrected here to 5.1%.

Source: SIGAR analysis of MOF-provided AFMIS data exported 1/6/2020 and 10/8/2019; SIGAR analysis of USAID-provided AFMIS data exported 1/12/2019.

FIGURE 3.47

CUMULATIVE EXPENDITURE INCREASES (FY 1397-1398) VERSUS SAME MONTH PRIOR YEAR



Note: During the timeframe within which SIGAR conducted the analysis for this report, Afghanistan's Ministry of Finance provided AFMIS data for only the fourth quarter of FY 1398. Consequently, the first nine months of revenues were calculated using AFMIS data exported on 10/7/2019. Because the Afghan government sometimes retroactively revises its accounting data, growth figures above may differ from those calculated using a single comprehensive export from AFMIS that includes all data from FY 1398.

Source: SIGAR analysis of MOF-provided AFMIS data exported 1/6/2020 and 10/7/2019; SIGAR analysis of USAID-provided AFMIS data exported 1/12/2019.

- increase firm-level competitiveness by supporting export-ready Afghan businesses
- raise employment levels through that firm-level support and through the creation of a more favorable enabling environment for businesses

Materially accelerating Afghanistan's licit economic growth rate, which is currently too low to reduce poverty and improve living standards, may not be possible within the timeframe set by USAID's strategy (which covers development support through 2023).⁴⁷² High levels of insecurity, violence, and episodic political uncertainty (manifest most recently in a presidential election that remains unresolved months after the final vote was cast) continue to weigh down the Afghan economy, according to the IMF.⁴⁷³

USAID's active economic-growth programs have a total estimated cost of \$139 million and can be found in Table 3.18.

The Extractives Sector Contributes Little to GDP

Although Afghanistan is endowed with a plethora of natural resources (including rare earth elements, gold, chromite, copper, natural gas, and many others), mining made up just 1.1% of GDP in 2018, according to a recently released report from Afghanistan's statistical authority (the NSIA).⁴⁷⁴ As the NSIA bluntly stated, "Despite having numerous mines in Afghanistan, it has not been extracted yet [sic]."⁴⁷⁵

Even so, donors continue to emphasize the supposed importance of the extractives sector to Afghanistan's future development. Substantial future increases to government revenues (which presently cover only 25% of total public expenditures) would depend in large part on the ability of the Afghan government to mobilize major revenue-generating projects in the extractives sector, the World Bank said this quarter.⁴⁷⁶ The Afghan government has passed a new mining law, but it believes that security challenges and poor infrastructure, among other issues, still hinder development of the sector.⁴⁷⁷

After a seven-year period from 2009 through 2016, during which DOD and USAID obligated nearly \$488 million to develop Afghanistan's extractives industry, U.S. support to the sector is now relatively small.⁴⁷⁸ The most significant current U.S. effort is a five-year, \$18.2 million interagency agreement between USAID and the United States Geological Survey (USGS) that aims to help MOMP better organize and improve its data on Afghanistan's mineral reserves.⁴⁷⁹ One objective of a separate, five-year, \$20 million USAID interagency agreement with the U.S. Department of Commerce is to improve the legal and regulatory regime in the mining sector as well as building the capacity of MOMP's staff to administer its mining contracts.⁴⁸⁰

In sharp contrast to the state of the licit industry, illegal mining—broadly defined—has flourished in Afghanistan. According to the United States Institute of Peace, most mineral extraction in the country is either illicit or unregulated. While some local communities have operated for decades

ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.18

USAID ACTIVE ECONOMIC-GROWTH PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Multi-Dimensional Legal Economic Reform Assistance (MELRA)	2/7/2018	2/6/2023	\$19,990,260	\$3,371,197
Extractive Technical Assistance by USGS	1/1/2018	12/31/2022	18,226,206	5,567,947
INVEST	9/28/2017	9/27/2020	15,000,000	5,287,209
Afghanistan Investment Climate Reform Program	3/27/2015	3/26/2020	13,300,000	6,273,446
Commercial Law Development Program	3/1/2014	9/30/2019	13,000,000	12,700,832
Carpet and Jewelry Value Chains	1/31/2019	4/30/2023	9,941,606	1,369,315
Goldozi Project	4/5/2018	4/4/2022	9,718,763	2,926,344
Livelihood Advancement for Marginalized Population (LAMP)	8/1/2018	7/31/2022	9,491,153	1,020,463
Establishing Kabul Carpet Export Center (KCEC)	6/6/2018	6/5/2021	9,416,507	3,959,066
Recycling Plant Value Chain in Northern Afghanistan	6/5/2019	6/4/2023	7,250,000	156,333
Trade Show Support (TSS) Activity	6/7/2018	12/6/2020	6,921,728	5,474,912
Development Credit Authority (DCA) with Ghazanfar Bank	9/1/2018	8/30/2025	2,163,000	40,015
Afghanistan International Bank Guarantee Agreement	9/27/2012	9/27/2020	2,000,000	520,800
Development Credit Authority (DCA) with FINCA, OXUS, and First Microfinance Banks	9/25/2014	9/24/2020	1,958,000	142,100
Afghanistan Loan Portfolio Guarantee	9/27/2017	9/26/2023	665,820	732
Total			\$139,043,043	\$48,810,713

Source: USAID, response to SIGAR data call, 1/11/2020.

under informal agreements brokered before the current regulatory regime took effect, the Taliban and various criminal networks control other sites.⁴⁸¹

Another Acting Minister Takes Over at the Ministry of Mines

Frequent leadership turnover at Afghanistan’s Ministry of Mines and Petroleum (MOMP) has disrupted U.S. capacity-building efforts there and has been an obstacle to developing the extractives sector, according to a report that evaluated USAID’s last large-scale effort to develop the industry.⁴⁸² While turnover at the ministry has slowed in recent years—over one four-year period, MOMP cycled through five different ministers—Acting Minister Nargis Nehan resigned for unspecified personal reasons in late October 2019.⁴⁸³ Nehan, whom the Afghan parliament refused to confirm (a decision that Afghan civil society organizations said reflected sexism), had served in an acting capacity for two and a half years.⁴⁸⁴

Taking over for Nehan is Acting Minister Enayatullah Momand.⁴⁸⁵ Momand, who is described as a “technical deputy of the ministry” in public reporting, is a seven-year veteran of MOMP, according to his profile on the ministry’s website.⁴⁸⁶ Since the beginning of the National Unity Government—the power-sharing arrangement between President Ashraf

Ghani and Chief Executive Abdullah Abdullah adopted following the disputed 2014 presidential elections—MOMP has been led by five different acting ministers, and has had a confirmed minister for a total of only 12 months.⁴⁸⁷

Two Large Mining Contracts in Jeopardy

On November 27, 2019, President Ghani reportedly canceled two contracts to develop a gold mine in Badakhshan Province and the Balkhab copper mine in Sar-e Pul and Balkh Provinces.⁴⁸⁸ The awardees—the Afghan Gold and Minerals Company (AGMC) and the Turkish Afghan Mining Company (TAMC)—failed to post contractually required performance bonds.⁴⁸⁹ A performance bond is issued to one party of a contract as a guarantee against the failure of the other party to meet its contractual obligations.⁴⁹⁰ However, in an interview with SIGAR, Brad Barnett, the CEO of CENTAR Ltd.—which partially owns AGMC and TAMC—said the contracts had not yet been canceled because the Afghan cabinet had not yet approved their cancellation.⁴⁹¹

MOMP had the right to terminate the contracts if AGMC or TAMC violated a material contract obligation, or if exploration activities were delayed for more than 12 months.⁴⁹² Although State claimed in December 2018 that the companies had begun the exploration phase, *Stars and Stripes* reported that exploration activities had not yet been initiated as of October 2019, 12 months after the contracts were signed.⁴⁹³

The Afghan government signed the mining contracts for the Badakhshan gold and Balkhab copper concessions at a ceremony at the Afghan Embassy in Washington, DC, in the fall of 2018, reviving long-held hopes at the time that Afghanistan’s extractives sector could be leveraged for the country’s economic development.⁴⁹⁴ Consultant projections from 2012 suggested that total government revenues over the lifetime of the projects (11 years from the mines’ becoming operational) could have been \$358 million for Balkhab and \$328 million for Badakhshan.⁴⁹⁵

However, controversy soon followed.⁴⁹⁶ Civil society organizations (CSOs) concerned about corruption in Afghanistan’s mining sector contended the contracts had been awarded illegally, due to the involvement of former Minister of Housing and Urban Development Sadat Naderi.⁴⁹⁷ The CSOs pointed out that the Afghan mining law in force at the time the contracts were signed appeared to set a five-year “cooling off” period for former ministers before they were allowed to hold a mining license.⁴⁹⁸ State argued that such concerns were “without substantive legal basis,” and said Naderi’s firm—the Afghan Krystal Mining Company, which had a 50.1% ownership stake in the Balkhab concession (by owning 50.1% of AGMC) and a 24.5% ownership stake in the Badakhshan concession (by owning 24.5% of TAMC), according to contract documents—bid for and won these contracts in good faith before Naderi became a minister.⁴⁹⁹

Beyond potential conflict of interest issues, State inaccurately portrayed the contracts as having been awarded to a U.S. company. State claimed that CENTAR Ltd. was based in the United States. Contract documents, however, contain contrary information: a company named CENTAR Ltd., based in Guernsey in the Channel Islands of the UK, owned 24.5% of the Badakhshan concession and 49.9% of the Balkhab project.⁵⁰⁰ CENTAR CEO Brad Barnett confirmed to SIGAR that the company is Guernsey-based, not U.S.-based.⁵⁰¹

Some Afghanistan Jobs Creation Program Awardees are Not Meeting USAID Performance Standards

Project data shared with SIGAR this quarter indicates that several awards granted under USAID's five-year, \$96 million Afghanistan Jobs Creation Program (AJCP) are not meeting targets.⁵⁰² Initiated in June 2017, AJCP aims to generate revenue and sustainable jobs by supporting Afghanistan's value-chain development, and to help Afghan business increase exports.⁵⁰³ The program funds multiple awards, with the value of individual grants ranging from \$2 million to \$10 million.⁵⁰⁴

One AJCP award went to Impact Carpets Associates LLC, which established the \$9.4 million Kabul Carpet Export Center (KCEC). KCEC seeks to increase Afghanistan's carpet exports and create jobs for Afghans in the carpet industry.⁵⁰⁵ Despite training 150 Afghan carpet manufacturers (750% of the project target for the first fiscal year of implementation), Impact Carpets missed annual targets for the volume of carpets exported (achieving 70% of the target), the value of carpets exported (70% of the target), the number of new jobs created (71% of the target), and the value of loans distributed to carpet manufacturers (0% of the target).⁵⁰⁶ KCEC, which is intended to be financially sustainable, hit only 40% of its revenue target.⁵⁰⁷

USAID awarded a second grant worth \$9.7 million to Family Health International (FHI 360) to support a program entitled "The Goldozi Project," which aims to help 15,000 women in and around Kabul sell their embroidered products.⁵⁰⁸ Goldozi's annual report for FY 2019 showed that FHI 360 failed to meet several key performance targets. For example, FHI 360 created just 80 of a planned 200 jobs. FHI 360 also reported that no individuals increased their income as a result of Goldozi assistance (versus a target of 500).⁵⁰⁹ FHI 360 explained that the high-end Afghan products supported by the project struggled to compete with new trends and styles in the fashion industry. Lack of product differentiation and quality were major concerns.⁵¹⁰ FHI 360 further explained that most Afghans lacked the purchasing power to afford Goldozi's products and preferred to purchase imported machine-made goods from Pakistan.⁵¹¹

A third AJCP grant worth \$9.5 million was awarded to the Cooperative for Assistance and Relief Everywhere Inc. (CARE) to support a project called "Livelihood Advancement for Marginalized Populations (LAMP)."⁵¹²

LAMP aims to create jobs for internally displaced Afghans.⁵¹³ LAMP's most recent quarterly performance report indicated that CARE had met its target of providing 145 individuals with new or better employment.⁵¹⁴ However, this target was met by simply providing these individuals with 40 hens, along with feed and equipment. The quarterly report did not indicate whether the recipients were generating income from poultry activities.⁵¹⁵ More than a year and a half since it was established in 2018, LAMP has benefitted only these 145 individuals.⁵¹⁶ CARE attributed the slow start in part to a long delay in finalizing beneficiaries for intervention. As a result of this delay, many beneficiaries "lost their interest."⁵¹⁷ Descriptions of other challenges listed in CARE's quarterly report were poorly written and consequently incomprehensible. For example, according to CARE, one challenge was, "Due to this project implementation modality and program description mentioned issue is challengeable for implementation of this modality."⁵¹⁸

AGRICULTURE

The agricultural sector employs approximately 40% of Afghanistan's total labor force, according to the World Bank, and accounted for 20.5% of the country's GDP (including opium-poppy) in 2018, according to Afghanistan's National Statistics and Information Authority (NSIA).⁵¹⁹ The Bank expected the sector's contribution to GDP in 2019 to be approximately the same as in 2018.⁵²⁰ Agriculture's significance to growth has diminished somewhat since the U.S.-led intervention in 2001, in line with a significant rise in demand, driven largely by the international presence in the country, for construction and services (for example, communications and logistics services).⁵²¹ Nevertheless, the Bank expected licit agriculture to contribute approximately 0.84 percentage points (out of 2.5 percentage points) of GDP growth in 2019 due to anticipated recovery from a severe drought in 2018.⁵²²

In addition to licit agricultural activity supported by international donors, illicit opium-poppy cultivation thrives in Afghanistan. Including indirect employment, as many as 507,000 Afghans worked in the opium economy in 2018, making the sector one of the country's largest employers (considerably larger than the Afghan National Defense and Security Forces), according to a May 2019 paper from the Afghanistan Research and Evaluation Unit.⁵²³

Since 2002, USAID has disbursed nearly \$2.3 billion to improve licit agricultural production, increase access to markets, and develop income alternatives to growing poppy for opium production.⁵²⁴ USAID's active agriculture programs have a total estimated cost of \$348 million and can be found in Table 3.19. This quarter, State and USAID's alternative development projects—which aim to transition opium-poppy farmers into licit agriculture—have been incorporated into this section of the quarterly economic and social development update. Total disbursements on State's active

ECONOMIC AND SOCIAL DEVELOPMENT

TABLE 3.19

USAID ACTIVE AGRICULTURE PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Strengthening Watershed and Irrigation Management (SWIM)	12/7/2016	12/6/2021	\$87,905,437	\$22,548,698
Commercial Horticulture and Agriculture Marketing Program (CHAMP)	2/1/2010	1/31/2020	71,292,850	71,238,969
Afghanistan Value Chains–Livestock Activity	6/9/2018	6/8/2021	55,672,170	10,630,971
Afghanistan Value Chains–High Value Crops	8/2/2018	8/1/2023	54,958,860	8,768,053
Regional Agriculture Development Program–East (RADP East)	7/21/2016	7/20/2021	28,126,111	15,520,586
Grain Research and Innovation (GRAIN)	3/13/2017	9/30/2022	19,500,000	9,150,000
Promoting Value Chain–West	9/20/2017	9/19/2020	19,000,000	11,406,963
Catalyzing Afghan Agricultural Innovation	5/28/2018	5/27/2023	8,000,000	2,182,659
SERVIR	9/14/2015	9/30/2020	3,100,000	1,877,059
Total			\$347,555,428	\$153,323,957

Note: CHAMP is the only project USAID continues to code as an alternative-development intervention in its financial data. All other projects are coded as agricultural interventions.

Source: USAID, response to SIGAR data call, 1/11/2020.

alternative livelihood projects (Table 3.20 on page 140) were \$79 million, as of December 18, 2019.

One-Third of Afghans Could Face Food Insecurity in Early 2020

Some 11.3 million people—or more than one-third of all Afghans—stood to face acute food insecurity between November 2019 and March 2020, according to the Integrated Food Security Phase Classification (IPC), on whose food-security analyses USAID relies.⁵²⁵ Food-insecure households experience acute malnutrition due to food consumption gaps, or are forced to deplete household assets to meet minimum needs.⁵²⁶

Factors contributing to widespread food insecurity include the lingering impacts of last year’s severe drought, high unemployment and food prices, and the continuing conflict.⁵²⁷ Christos Stylianides, the European Union’s Commissioner for Humanitarian Aid and Crisis Management, commented, “The humanitarian outlook in Afghanistan is as bleak as ever.”⁵²⁸ To help address widespread malnutrition, USAID contributed \$101.1 million to multiple partners in FY 2019, including \$87.1 million to the UN World Food Program (WFP) to address widespread food insecurity.⁵²⁹ WFP provides emergency food assistance in Afghanistan.⁵³⁰

USAID’s CHAMP is Meeting Performance Targets but Sustainability is a Key Question

USAID’s Commercial Horticulture and Agricultural Marketing Program (CHAMP) works with Afghan firms to boost the country’s exports, particularly fresh and dry fruits and nuts.⁵³¹ While USAID still categorizes CHAMP as an alternative-development project in its financial data, the current,

SIGAR AUDIT

A November 2019 SIGAR audit examining USAID's efforts to reduce food insecurity in Afghanistan found that incomplete reporting and limited site visits reduced USAID's ability to conduct oversight of its emergency food-assistance activities in Afghanistan. Moreover, more than 91% of USAID's implementing partners' formal quarterly, biannual, annual, and final project performance reports lacked information required by USAID's award agreements.

primary purpose of CHAMP is to support USAID's export-led growth strategy by increasing exports of high-value agricultural products.⁵³² The project is implemented by the humanitarian organization Roots of Peace.⁵³³

CHAMP met or significantly exceeded nearly all of its performance targets for the quarter ending September 30, 2019, data from the project's latest quarterly report show.⁵³⁴ In particular, CHAMP exceeded targets for both the volume and value of agricultural commodities exported with U.S. government (USG) assistance by 60% and 240%, respectively.⁵³⁵ Other performance targets that were exceeded, like the number of households benefitted by agriculture and alternative-development interventions and the number of full-time equivalent jobs created, were boosted by higher-than-target exports.⁵³⁶

While these figures seem encouraging (the value of agricultural commodities exported with CHAMP support was more than \$31.7 million in the fourth quarter of FY 2019), they are attributable in part to USAID-supported trade shows and to heavily subsidized air corridors between Afghanistan and regional trading partners.⁵³⁷ For example, contracts signed at a single trade show—USAID Afghanistan's 3rd Annual Passage to Prosperity event, which ran from September 24 through September 26, 2019, in New Delhi, India—were equivalent to nearly 65% (\$20.5 million) of the value of sales supported by CHAMP's assistance in the fourth quarter of FY 2019.⁵³⁸

While the extent of linkage between CHAMP-supported exports and Afghanistan's network of regional air corridors is less clear, USAID has said there is a close connection between the corridors and the trade exhibitions supported by the agency.⁵³⁹ Representatives from the Afghanistan Chamber of Commerce and Investment attend the trade shows and, if a deal is signed, ensure that planes are available to fill the order.⁵⁴⁰ Subsidy rates that reduce airfreight costs for Afghan exporters are substantial. For example, subsidies cover 83% of shipment costs from Kabul to New Delhi.⁵⁴¹

USAID said that its goal was to ensure "Afghans can self-reliantly manage international trade exhibitions within five years," and noted it is working to help Afghanistan "achieve critical product density for various Afghan commodities within [a] five-year timeframe" (implying that export subsidies are a necessary but temporary measure to help achieve such density).⁵⁴² However, a key question is whether high levels of exports from CHAMP-supported traders are sustainable in the absence of subsidized trade exhibitions and airfreight costs.

State's \$24 Million CBARD-West Project Faces Implementation Challenges

The Community-Based Agriculture and Rural Development-West (CBARD-West) project, managed by State's Bureau of International Narcotics and Law Enforcement Affairs (INL), faced significant implementation challenges during the fourth quarter of FY 2019, a report provided to SIGAR

this quarter showed.⁵⁴³ CBARD-West aims to strengthen local production and marketing of high-value crops in 63 communities in Farah and Badghis Provinces, thereby accelerating Afghanistan’s licit economic growth and reducing the prevalence of illicit opium-poppy production.⁵⁴⁴ By dividing communities into treatment and control groups, CBARD-West is also attempting to assess the viability of alternative livelihoods for farmers who might otherwise grow poppies.⁵⁴⁵

CBARD-West’s implementer, the United Nations Development Programme (UNDP), said the project faced numerous implementation challenges during the latest reporting period (July 2019 through September 2019).⁵⁴⁶ The biggest unforeseen challenge, according to UNDP, was an exceptionally low survival rate for saplings planted in 2018. The survival rate in Farah was just 59.9% (meaning that approximately 99,000 out of 160,000 saplings planted survived).⁵⁴⁷ The survival rate of saplings planted in Badghis Province was even lower (37.7%): only 38,000 of 124,000 saplings survived.⁵⁴⁸

UNDP said the low survival rates were the cumulative result of successive droughts, extreme floods, and unintentional neglect by farmers displaced by armed conflict. The implementer added that despite its efforts to mitigate the impacts of these risks through site selection and assessment of intervention appropriateness, the severity of floods, drought, and conflict in areas selected for intervention were too much for local communities to cope with.⁵⁴⁹ Moreover, UNDP was limited in its ability to assess these impacts, as well as provide timely support, due to the remoteness of project locations, limited accessibility in times of flood, general insecurity, and weak management and coordination at local, district, and provincial levels.⁵⁵⁰ In light of these challenges, UNDP said it was conducting a review that will ascertain how to make its project interventions more viable.⁵⁵¹

In addition to these developments, UNDP reported that it had trained project beneficiaries on gender-sensitive agro-business development (to strengthen women’s involvement and participation) and post-harvest value addition (processing and marketing), as well as completed construction on new commercial greenhouses and irrigation projects during the quarter.⁵⁵² INL said that the preliminary analysis for CBARD’s midterm evaluation suggests that the project is succeeding as “there has been a (larger) reduction on opium-poppy cultivation in the villages receiving INL funded project interventions (“treatment” villages) compared to the villages not receiving the interventions (“control” villages).”⁵⁵³ However, SIGAR’s 2018 lessons-learned report on counternarcotics found that interventions like CBARD seldom have a lasting impact on poppy cultivation.⁵⁵⁴ State-INL’s alternative-development projects are presented in Table 3.20 on the following page.

TABLE 3.20

STATE-INL ACTIVE ALTERNATIVE-DEVELOPMENT PROJECTS			
Project Title	Start Date	End Date	Obligated and Disbursed, Cumulative, as of 12/18/2019
Community-Based Agriculture and Alternative Development-West (CBARD-West)	9/1/2016	4/30/22	\$24,368,607
Community-Based Agriculture and Alternative Development-East (CBARD-East)	11/11/17	4/30/22	22,128,683
Boost Alternative Development Intervention Through Licit Livelihoods (BADILL)	8/12/16	8/12/20	20,000,000
Community-Based Agriculture and Alternative Development-Access to International Markets (CBARD-AIM)	7/30/19	4/30/23	8,900,000
Monitoring and Impact Assessment of High-Value Agricultural Based Interventions	8/30/16	11/10/20	3,810,530
Total			\$79,207,820

Source: State, INL, response to SIGAR data call, 12/18/2019.

INFRASTRUCTURE AND ESSENTIAL SERVICES

A major goal of the U.S.-led reconstruction effort has been to construct and improve Afghanistan’s infrastructure base. Since 2002, the U.S. has built health and education facilities, roads and bridges, and electricity infrastructure.⁵⁵⁵ USAID alone has disbursed more than \$4.4 billion for infrastructure projects.⁵⁵⁶

Funding levels for infrastructure have decreased in recent years as the U.S. has shifted its reconstruction focus away from large capital projects like road construction. Although State says there are no plans to bilaterally underwrite any new major infrastructure, several high-dollar-value projects are still being implemented.⁵⁵⁷ This section focuses specifically on remaining U.S.-funded power-infrastructure projects.

U.S. Efforts to Expand Afghanistan’s Power Grid

Since 2011, a top U.S. development priority has been to expand and connect Afghanistan’s “islanded” power grids—work that has involved large-scale infrastructure projects. DOD and USAID have been working to expand Afghanistan’s power grid and to connect the country’s **Northeast Power System (NEPS)** with its southeastern counterpart, the **Southeast Power System (SEPS)**.⁵⁵⁸ USAID aims to connect the two networks with a 470-kilometer transmission line.⁵⁵⁹ Figure 3.48 on the previous page shows the current status of U.S.-funded power-infrastructure projects.

During the high-water mark of the Afghanistan intervention (2010–2012), DOD and State justified these efforts based on the U.S. government’s counterinsurgency (COIN) strategy, which sought to simultaneously contain the Taliban insurgency and address its presumed root causes. By increasing access to electricity, the reasoning went, the Afghan population’s confidence in the Afghan government would grow as the government’s ability to provide essential services and stimulate long-term economic growth improved—thereby reducing support to the Taliban.⁵⁶⁰ While the proportion of Afghans with access to grid-based electricity rose from less than 6% in

NEPS: imports electricity from Central Asia to provide power to Kabul and the communities north of Kabul.

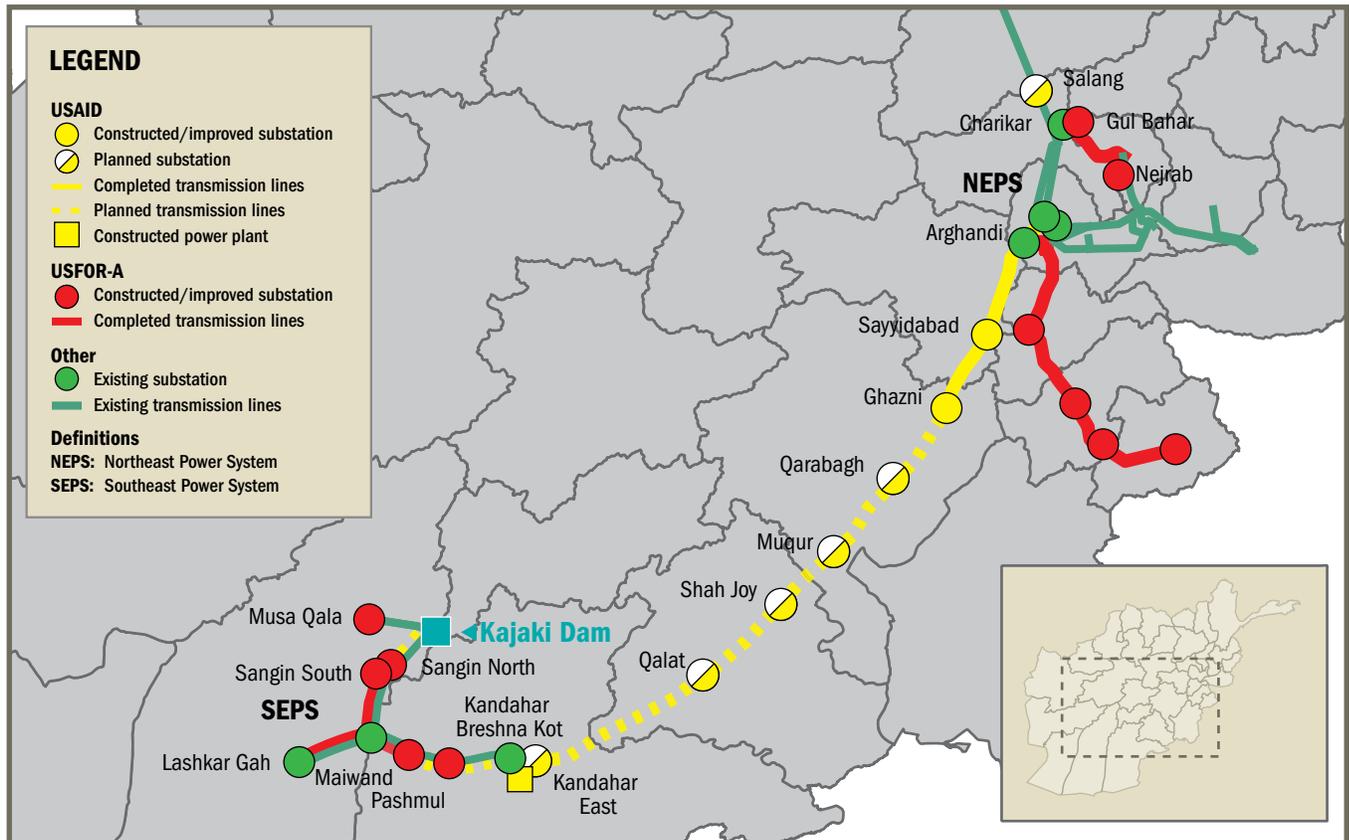
SEPS: draws most of its power from the Kajaki Dam and from diesel generators in Kandahar City to provide power in the Helmand and Kandahar areas.

Source: DOD, Report on Progress Toward Security and Stability in Afghanistan, 11/2013, p. 107.

ECONOMIC AND SOCIAL DEVELOPMENT

FIGURE 3.48

STATUS OF U.S.-FUNDED POWER-INFRASTRUCTURE PROJECTS, AS OF DECEMBER 2019



Note: Map is illustrative and does not depict every feature of Afghanistan's energy infrastructure.

Source: Afghan Energy Information Center, Afghanistan Energy Map, "Afghanistan Current & Future Power System up to Year 2032 (1410)," no date, <http://aEIC.af/en/ppi>, accessed 10/9/2019; USFOR-A, JENG, "Afghanistan Infrastructure Fund Program FY 11 through FY 14," 12/10/2019; USAID, OI, response to SIGAR data call, 12/18/2019; SIGAR, Supplement to October 2018 Quarterly Report to Congress: Power Infrastructure Map, "U.S.-Funded Power-Infrastructure Projects: Current Status, as of September 2018," 10/30/2018; SIGAR, Afghanistan's Energy Sector: USAID and DOD Did Not Consistently Collect and Report Performance Data on Projects Related to Kajaki Dam, and Concerns Exist Regarding Sustainability, SIGAR 19-37-AR, 5/2019, p. 28.

2002 to over 30%, as of early 2019, according to USAID, it is unclear whether this improvement contributed to COIN outcomes.⁵⁶¹ A 2017 SIGAR audit that examined a subset of infrastructure projects funded by Fiscal Year (FY) 2011 monies found that U.S. agencies had not assessed whether the projects had achieved their COIN objectives or could be sustained by the Afghan government.⁵⁶²

Overtly, the rationale for increasing Afghans' access to electricity is less directly connected to security outcomes than it was at the peak of the U.S. intervention.⁵⁶³ According to USAID's current strategy, access to reliable and affordable power drives economic growth and results in better delivery of education and health services.⁵⁶⁴ Yet, a residual connection between power-infrastructure and security outcomes remains: all of the

development objectives under USAID’s strategy are expected to contribute to Afghanistan’s stability because they “address the security and development challenges that have made Afghanistan a safe haven for terrorists and violent extremist organizations and have driven the conflict with the Taliban.”⁵⁶⁵ The body of research examining whether economic and social development programs can positively impact stability levels is mixed.⁵⁶⁶

Most of USAID’s Remaining Power-Infrastructure Projects Face Delays

USAID currently has five ongoing power-infrastructure projects (DOD’s projects are complete). Those projects include the construction of:⁵⁶⁷

- the Salang substation (99% complete, with an expected completion date of January 2, 2020), located near a strategic pass between Baghlan and Parwan Provinces
- a transmission line between Ghazni and Kandahar Provinces (17% complete, with an expected completion date of December 30, 2020)
- substations along the transmission line from Ghazni to Kandahar (completion date: July 30, 2023; USAID did not provide a completion percentage for this project)
- transmission lines and substations in SEPS (completion date: July 30, 2023; USAID did not provide a completion percentage for this project)
- a wind farm in Herat Province (completion date: December 24, 2021; SIGAR did not ask for a completion percentage, as this is a new project).

A sixth project—construction of a 10-megawatt solar power plant outside of Kandahar City in southern Afghanistan that was more than one year behind schedule—has been completed, USAID reported this quarter. Commercial operations at the plant began on October 16, 2019, USAID said.⁵⁶⁸

Four of five active projects are also delayed.⁵⁶⁹ The Salang substation and the transmission line and substations between Ghazni and Kandahar were originally supposed to be complete by the end of 2016—meaning they are more than three years behind schedule.⁵⁷⁰ USAID’s work on SEPS evolved from a DOD contract that was originally supposed to be complete by November 2013—meaning it is now more than six years behind schedule.⁵⁷¹ Initiated in October 2019, USAID’s newest power-infrastructure project is a 25-megawatt wind farm in Herat Province that aims to demonstrate the commercial viability of generating power from wind in northwest Afghanistan.⁵⁷²

Cumulatively, USAID has disbursed more than \$1.9 billion since 2002 to build power plants, substations, and transmission lines, and to provide technical assistance in the power sector.⁵⁷³ USAID’s active power-infrastructure projects have a total estimated cost of \$811 million and are presented in Table 3.21.

TABLE 3.21

USAID ACTIVE ENERGY PROJECTS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Power Transmission Expansion and Connectivity (PTEC)	1/1/2013	12/31/2023	\$316,713,724	\$254,041,011
SEPS Completion and NEPS-SEPS Connector Substations	7/3/2019	7/30/2023	159,794,733	16,523,473
Contributions to the Afghanistan Infrastructure Trust Fund (AITF)	3/7/2013	3/6/2023	153,670,184	153,670,184
Engineering Support Program	7/23/2016	1/22/2020	125,000,000	71,162,587
25 MW Wind Farm in Herat Province	10/22/2019	12/24/2021	22,994,029	–
Design and Acquisition of SEPS Completion and NEPS-SEPS Connector	3/7/2018	6/27/2022	20,151,240	2,345,093
Kandahar Solar Project	2/23/2017	12/29/2019	10,000,000	10,000,000
Spare parts for Tarakhil Power Plant	8/14/2019	2/11/2020	2,136,850	1,135,788
Power Sector Governance and Management Assessment	1/12/2019	3/2/2019	567,330	567,330
Total			\$811,028,090	\$509,445,467

Source: USAID, response to SIGAR data call, 1/11/2020.

EDUCATION

Since the 2001 U.S.-led intervention, donors have generally highlighted Afghanistan’s progress in the education sector as a significant achievement.⁵⁷⁴ However, although more children are in school than under the Taliban regime, when girls were forbidden to attend, poor data quality makes it difficult to ascertain the extent of that success. For example, figures for the number of children and youth in school vary widely.⁵⁷⁵ Additionally, Ministry of Education (MOE) enrollment data cannot be used to determine attendance rates directly because the MOE counts students who have been absent for up to three years as enrolled, under the premise that they may return to school.⁵⁷⁶

Numerous challenges plague the education sector. Many Afghans living in rural areas reside far from schools (making it difficult for them to attend); schools are sometimes targeted, threatened, occupied, or caught in crossfire between Afghan government forces and insurgents; and many teachers are allegedly appointed on the basis of cronyism and bribery.⁵⁷⁷

As part of its current strategy in Afghanistan, USAID hopes to increase access to basic education for children, improve the quality of that education, and build management capacity at the MOE.⁵⁷⁸ The agency hypothesizes that advancing gains in education will help the Afghan government gain the confidence of its citizens.⁵⁷⁹ However, Afghanistan’s education sector has not succeeded in making such gains in recent years: attendance rates of primary-school age children did not improve between two comprehensive surveys conducted by the NSIA in 2011–2012 and 2016–2017. The

NSIA said, “This is a remarkable finding, given the continuous efforts to expand primary education facilities across the country.”⁵⁸⁰

USAID also believes that advancing gains in education will ultimately contribute to Afghanistan’s stability.⁵⁸¹ Yet, Afghan government—and by extension donor—funded education services are also provided in many Taliban-controlled areas, meaning that the insurgency, too, benefits from overall improvements to Afghanistan’s education system.⁵⁸²

USAID, which aims to improve access to and quality of education in Afghanistan, as well as build capacity at the MOE, has disbursed more than \$1.1 billion for education programs in Afghanistan, as of January 11, 2020.⁵⁸³ The agency’s active education programs have a total estimated cost of \$520 million and can be found in Table 3.22.

Activists Allege Rampant Sexual Abuse in Logar Province Schools

At least 165, and possibly more than 546, boys from six schools in Logar Province were sexually abused, according to reporting from the *New York Times* and the *Guardian*.⁵⁸⁴ The Logar Youth, Social, and Civil Institution, an Afghan civil society organization, told the publications that teachers and other authority figures, older students, and extended family members were among the abusers, adding that it had discovered more than 100 videos of the abuse on a Facebook page.⁵⁸⁵ Mohammed Musa, described as a lead social worker at the organization, said that although some of the accused

TABLE 3.22

USAID ACTIVE EDUCATION PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Afghanistan University Support and Workforce Development Program	1/1/2014	9/30/2019	\$93,158,698	\$92,454,137
Support to the American University of Afghanistan (AUAF)	8/1/2013	5/31/2020	90,681,844	74,324,123
Increasing Access to Basic Education and Gender Equality	9/17/2014	12/31/2019	77,402,457	77,402,457
Textbook Printing and Distribution II	9/15/2017	12/31/2019	75,000,000	–
Afghan Children Read (ACR) Program	4/4/2016	4/03/2021	69,547,810	41,996,195
Strengthening Education in Afghanistan (SEA II)	5/19/2014	9/30/2020	44,835,920	37,698,050
Let Girls Learn Initiative and Girls' Education Challenge Programme (GEC)	6/29/2016	6/28/2021	25,000,000	15,000,000
Capacity Building Activity at the Ministry of Education	2/1/2017	1/31/2022	23,212,618	14,722,111
Afghanistan's Global Partnership for Education	10/11/2012	9/30/2019	15,785,770	15,729,922
Financial and Business Management Activity with AUAF	7/5/2017	7/4/2020	4,384,058	3,358,726
PROMOTE Scholarships PAPA	3/4/2015	3/3/2020	1,247,522	1,247,522
Total			\$520,256,697	\$373,933,244

Source: USAID, response to SIGAR data call, 1/11/2020.

teachers had been detained by the police, they were subsequently released without charges.⁵⁸⁶

Some victims have suffered extensive repercussions for reporting the abuse, according to the *Times* and the *Guardian*, both of which spoke with accusers, teachers, or administrators.⁵⁸⁷ One school administrator said the Taliban had killed three boys who reported rapes, and Musa claimed that five families killed their sons after recognizing them in videos posted to social media.⁵⁸⁸ Musa added that police officers had raped several boys who had agreed to be questioned.⁵⁸⁹ A spokesman for the Logar provincial police denied this accusation, while Logar Provincial Governor Mohammad Anwar Ishaqzai said he considered Musa's findings "inaccurate."⁵⁹⁰

In the wake of the news reports on the allegations, the National Directorate of Security (NDS, Afghanistan's intelligence agency) detained Musa and another Logar activist, Ehsanullah Hamidi, and coerced the activists into confessing that their accusations were untrue.⁵⁹¹ Musa and Hamidi were subsequently released following pressure from the United States and human-rights groups—including a Twitter post in which U.S. Ambassador to Afghanistan John Bass decried the Afghan government for "Soviet-style tactics."⁵⁹² Afghan President Ashraf Ghani, who instructed the NDS to "stop the proceedings," ordered Afghanistan's Ministry of Education to compile a report on the allegations.⁵⁹³ The practice of *bacha bazi*, or "boy play," in which authority figures keep boys as sex slaves, is widespread in Afghanistan.⁵⁹⁴

HEALTH

Afghanistan appears to have made progress in key health indicators since 2001—though conflicting data points preclude a precise evaluation of the extent of improvement.⁵⁹⁵ For example, although results from a household survey showed that Afghanistan's under-5 mortality rate (the probability of dying between birth and 5 years of age) was 55 per 1,000 live births in 2015, the CIA *World Factbook* stated in 2015 that the infant mortality rate (the probability of dying between birth and 1 year of age) was 115 per 1,000 live births.⁵⁹⁶ Many health outcomes in Afghanistan remain worse than in most other countries: according to the *Factbook*, Afghanistan has the lowest life expectancy (52.1 years) in the world.⁵⁹⁷

USAID has suggested that making people healthier can produce positive effects on security outcomes—"healthy people and health[y] communities are the bedrock of a peaceful and stable nation," the agency said. But insecurity has risen even as key health indicators have ticked up, according to the World Bank.⁵⁹⁸ USAID has also asserted that, by bolstering Afghans' confidence in their government's capacity to deliver services, continuing to improve health outcomes will help achieve stability in Afghanistan.⁵⁹⁹ However, some reports indicate that the Taliban coopt Afghan government

SIGAR EVALUATION REPORT

On December 23, 2015, a bipartisan group of 93 U.S. Senators and members of the House of Representatives requested that SIGAR conduct an inquiry into the U.S. government's experience with allegations of sexual abuse of children committed by members of the Afghan security forces, and the manner in which DOD and State implemented the Leahy laws in Afghanistan. The Leahy laws prohibit the U.S. funding of units of foreign forces that commit gross violations of human rights.

SIGAR found that although DOD and State had received credible information regarding incidents of child sexual assault perpetrated by members of the Afghan security forces, the Secretary of Defense had used an exemption authority granted by statute to continue providing select training, equipment, and other assistance to some of the Afghan security-force units implicated in those incidents. Following SIGAR's report, Congress removed the exemption authority—known as the "notwithstanding clause"—from subsequent funding provisions for the Afghanistan Security Forces Fund, through which the U.S. provides funding for Afghan security forces.



A public health employee takes a woman's blood pressure. (USAID photo)

health services delivered in areas under their control, thereby potentially legitimizing their own authority, not the Afghan government's.⁶⁰⁰

U.S. on- and off-budget assistance to Afghanistan's health sector totaled more than \$1.3 billion as of January 11, 2020.⁶⁰¹ USAID's active health programs have a total estimated cost of \$291 million, and are listed in Table 3.23.

USAID's \$60 Million HEMAYAT Project Difficult to Assess

Some results of USAID's \$60 million Helping Mothers and Children Thrive (HEMAYAT) project appear to be encouraging, but the project's overall impact is difficult to assess, data from HEMAYAT's latest annual report show.⁶⁰² HEMAYAT was initiated to help reduce high child-mortality rates and pregnancy-related deaths for mothers in Afghanistan.⁶⁰³ The project, which concluded this quarter, sought to achieve these goals by increasing access to, and use of, family-planning and maternal, neonatal, and child health services, and by strengthening referral systems to hospitals at the provincial level.⁶⁰⁴

HEMAYAT implementer Jhpiego, an affiliate of Johns Hopkins University, reported that it had significantly exceeded its FY 2019 target for the number births attended by a skilled doctor or midwife. A total of 573,332 births were attended by a skilled health-care professional, more than 39% above the goal of 411,586. Jhpiego indicated that the higher-than-expected result may be attributable to higher utilization rates of health facilities in targeted provinces.⁶⁰⁵ HEMAYAT project records also showed a 20% reduction in the rate of postpartum hemorrhage mortality and a 59% reduction in the rate of early newborn mortality in targeted health facilities in FY 2019.⁶⁰⁶ While these results are encouraging on their face, Jhpiego noted that the changes in the fatality rates were difficult to interpret due to changes in quality of care, timely use of services by clients, and the reporting of deaths.⁶⁰⁷ The

TABLE 3.23

USAID ACTIVE HEALTH PROGRAMS				
Project Title	Start Date	End Date	Total Estimated Cost	Cumulative Disbursements, as of 1/11/2020
Initiative for Hygiene, Sanitation, and Nutrition (IHSAN)	5/11/2016	5/10/2021	\$75,503,848	\$36,916,350
Helping Mothers and Children Thrive (HEMAYAT)	1/7/2015	1/6/2020	66,292,151	58,653,113
Disease Early Warning System Plus (DEWS Plus)	7/1/2014	6/30/2022	54,288,615	28,988,615
Health Sector Resiliency (HSR)	9/28/2015	9/27/2020	27,634,654	20,805,044
Medicines, Technologies and Pharmaceuticals Services (MTaPS)	9/20/2018	9/20/2023	20,000,000	29,620
Challenge Tuberculosis	1/1/2015	9/29/2019	16,886,357	13,889,395
Enhancing Community Access & Utilization of Zinc and ORS for the Management of Childhood Diarrhea	7/21/2015	7/20/2020	13,000,000	13,000,000
Sustaining Health Outcomes through the Private Sector (SHOPS) Plus	10/11/2015	9/30/2020	12,500,000	9,596,443
Central Contraceptive Procurement (CCP)	4/20/2015	4/19/2020	2,343,773	1,350,309
Global Health Supply Chain Quality Assurance (GHSC-QA)	1/2/2015	12/31/2019	1,500,000	1,348,802
TB Data, Impact Assessment and Communications Hub (TB DIAH)	9/24/2018	9/24/2023	600,000	170,149
Global Health Supply Chain Management (GHSCM-PSM)	4/20/2015	4/19/2020	176,568	176,568
4 Children	9/15/2014	9/16/2019	20,000	20,000
Total			\$290,745,966	\$184,944,410

Source: USAID, response to SIGAR data call, 1/11/2020.

same data caveats applied to the discouraging 20% increase in pre-eclampsia and eclampsia fatality rates at targeted health facilities.⁶⁰⁸ Eclampsia is a pregnancy disorder characterized by the onset of high blood pressure.

Other metrics of HEMAYAT's impact, including the contraceptive prevalence rate and the percent of births receiving at least four antenatal visits during pregnancy, were not measured during the lifetime of the project, making it difficult to ascertain whether HEMAYAT made inroads in those areas.⁶⁰⁹

Number of Polio Cases Rises Significantly in 2019

The number of new polio cases reported in Afghanistan rose by 33% in 2019: 28 new polio cases were reported, compared to 21 cases in 2018.⁶¹⁰ Both figures were substantially higher than the 14 cases reported in 2017.⁶¹¹ In a sign that polio may be spreading beyond eastern and southern Afghanistan (where new cases are not uncommon), this quarter authorities registered a new polio case in Baghlan Province in the country's north. It was reportedly the first case of polio registered in Baghlan since 2011.⁶¹² Afghanistan, Pakistan, and Nigeria are the only three countries where polio remains endemic.⁶¹³

Endemic: refers to the constant presence and/or usual prevalence of a disease or infectious agent in a population within a geographic area.

Source: CDC, Principles of Epidemiology in Public Health Practice, Third Edition An Introduction to Applied Epidemiology and Biostatistics, "Lesson 1: Introduction to Epidemiology," <https://www.cdc.gov/ophss/csels/dsepd/ss1978/lesson1/section11.html>, accessed 10/16/2018.



A midwife trained through USAID's HEMAYAT tends to a newborn and her mother. (USEK photo)

The Colombo Plan: Instituted as a regional intergovernmental organization to further economic and social development, it was conceived at a conference held in Colombo, Sri Lanka (then Ceylon) in 1950 with seven founding-member countries. The organization has since expanded to include 26 member countries. INL supports the Colombo Plan's Universal Treatment Curriculum, a national level training and certification system for drug-addiction counselors aimed at improving the delivery of drug treatment services in Africa, Asia, and Latin America.

Source: Colombo Plan Secretariat website, "History," www.colombo-plan.org, accessed 7/1/2017; INL, International Narcotics Control Strategy Report, Volume I: Drug and Chemical Control, 3/2018, p. 19.

Efforts to eliminate polio in Afghanistan face numerous obstacles. Large-scale population movements across Pakistan and Afghanistan's 1,500-mile border increase cross-border transmission risk, and the Pakistani Taliban have issued a fatwa targeting polio workers, complicating vaccination outreach.⁶¹⁴ Although the Afghan Taliban have reportedly voiced strong support for polio vaccinations over the past decade, they too at times disrupt vaccination efforts.⁶¹⁵ Since May 2018, the Taliban, fearing spies, has not allowed door-to-door vaccinations in areas they control, and from April to September 2019, they banned all polio-related activities, according to the United Nations. Currently, the Taliban allows vaccinations only in area health facilities.⁶¹⁶

USAID has obligated \$36.6 million for polio-related programs since 2003, of which \$32.5 million has been disbursed.⁶¹⁷

Drug Use in Afghanistan Continues to Grow

Drug use is a growing problem for Afghanistan, following a pattern of increasing opium production.⁶¹⁸ A 2015 report published by Afghanistan's Ministry of Counter Narcotics (with technical assistance from the United Nations Office on Drugs and Crime, or UNODC) estimated that between 1.9 million and 2.4 million adult Afghans used drugs.⁶¹⁹ The number of drug users at that time was equal to 12.6% of Afghanistan's adult population—more than double the global drug use rate of 5.2%.⁶²⁰ By comparison, in 2009, there were an estimated 940,000 drug users in Afghanistan, a figure that, 10 years ago, represented 8% of the adult population.⁶²¹

Drug use among women and children is among the highest documented worldwide, and 38.5% of rural households tested positive for some form of illicit drug.⁶²² Opium remains the predominant opioid used in Afghanistan, with nearly 70% of opioid users reporting using opium, but there is also significant use of heroin and nonmedical use of pharmaceutical opioids, according to the UNODC.⁶²³ Afghan authorities are also grappling with a growing methamphetamine problem that could one day rival the country's heroin trade.⁶²⁴ Drug use "will pull down, today or tomorrow, the entire economy," a senior program officer in the UNODC's Afghanistan office told National Public Radio this quarter.⁶²⁵

Update on State-INL's Drug-Treatment and Prevention Work

State's Bureau of International Narcotics and Law Enforcement Affairs (INL) works with international partners to build the capacity of Afghan service providers in drug prevention, treatment, and recovery.⁶²⁶ To support Afghanistan's drug-demand reduction efforts, and to build capacity in Afghan government ministries, INL funds several projects administered by the **Colombo Plan** and UNODC.⁶²⁷

In November 2018, INL provided nearly \$300,000 to the Colombo Plan to support drug treatment education for eight staff members of Kabul

University's Addiction Studies Department.⁶²⁸ The latest project document available to SIGAR indicated that training for the staff members continued with an 11-day session in New Delhi, India.⁶²⁹

INL also sponsors a \$2 million program that provides scholarships and fellowships to female Afghan students at the Asian University for Women (AUW). The program aims to develop the capacity of the Afghan government to advance counternarcotics priorities and, simultaneously, promote gender integration.⁶³⁰ This project is not on track to meet these objectives. As of July 2019 (the latest reporting provided to SIGAR) the project had placed just four (out of a target of 25) women fellows to Afghanistan's Ministry of Counter Narcotics (MCN) and sponsored just five female students at AUW (out of a target of 25).⁶³¹ So few beneficiaries were expected in 2020 that project implementers put hiring of a career counselor on hold after conducting interviews for the position.⁶³²

Since a January 2019 Afghan presidential decree dissolved the MCN, the MCN's functions have been assumed by the Ministry of Public Health (MOPH), the Ministry of Interior (MOI), and the Ministry of Agriculture, Irrigation, and Livestock. Women leadership fellowships will continue at these ministries.⁶³³

Another INL capacity-building initiative is a four-year, \$5.4 million agreement with the Colombo Plan to bolster the capabilities of the MCN.⁶³⁴ Since 2008, INL has obligated \$35.2 million and disbursed \$27.4 million to support capacity building at the MCN.⁶³⁵ In light of the dissolution of the MCN, INL is funding an advisor position at the MOI and providing technical assistance to the MOPH in support of the transfer of MCN functions to these ministries.⁶³⁶

Overall, INL has obligated and disbursed approximately \$159.7 million to the Colombo Plan since 2008 for drug-demand-reduction and capacity-building programs in Afghanistan.⁶³⁷

